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The State  
of  
Church Giving  
through 2005

Abolition of the  
Institutional Enslavement of  
Overseas Missions

**Excerpt: Chapter 7, pp. 91-99 plus Related Notes**

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Abolition of the Institutional Enslavement of Overseas Missions*  
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**Details of the Consumer Expenditure Survey, 2005.** The U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey (CE) provides a benchmark measure of Americans' charitable cash contributions. The CE provides the U.S. Government data designed to measure Americans' charitable contributions. An analysis of this data found that Americans gave \$114.86 billion in cash contributions to charitable causes in 2005, the latest year for which data was available.

This final data total, which was aggregated, conflated, and analyzed by empty tomb, inc., includes the CE categories of "Cash contributions to: charities and other organizations; church, religious organizations; and educational institutions" as well as "Gifts to non-CU [Consumer Unit] members of stocks, bonds, and mutual funds."<sup>37</sup> An analysis of the CE data resulted in the finding that Americans contributed 72% of their charitable contributions to "church, religious organizations" in 2005.

Further detail regarding this analysis of U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey charitable giving data is presented in Table 31.<sup>38</sup>

**Table 31: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2005 Cash Contributions: Americans' Charitable Giving (Aggregated)**

Item	Average Annual Expenditures x Number of Consumer Units (billions \$)	Item as % of Total
<b>Annual Expenditures</b>		
<b>Cash Contributions for Charitable Giving</b>		
Cash contributions to:		
charities and other organizations	\$23.50	20%
church, religious organizations	82.95	72%
educational institutions	4.40	4%
Gifts to non-CU members of stocks, bonds, and mutual funds	4.01	3%
<b>Total</b>	<b>\$114.86</b>	<b>100%</b>

Details in the above table may not compute to the numbers shown due to rounding.

Source: empty tomb, inc. 2007 analysis of U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2005

### **Cash Contributions by Income Level, 2005**

The CE also measured Americans' cash contributions to charitable causes by income levels. Tables 32 and 33 present the data in tabular form.<sup>39</sup>

An analysis was conducted for twelve income levels, ranging from "\$5,000 to \$9,999" up to both "\$120,000 to \$149,999" and the highest category of "\$150,000 and more," with the average "Income after taxes" for the income levels ranging from \$7,898 to \$125,329, and \$232,706, respectively.<sup>40</sup>

It may be observed that 2005 giving as a percent of income after taxes to "church, religious organizations" was higher in each of the twelve income levels, than to either "charities and other organizations," "educational institutions," or "Gifts to non-CU members of stocks, bonds, and mutual funds." It may also be noted that giving as a percent of income after taxes to "church, religious organizations" was higher than to "charities and other organizations," and "educational institutions" combined in each of the income brackets.

A comparison of cash contributions among different income brackets may be of interest.

However, it should be noted that CE lower income brackets, which for purposes of this analysis ranged from \$5,000 through \$29,999, reported higher expenses than income. The CE observes:

Data users may notice that average annual expenditures presented in the income tables sometimes exceed income before taxes for the lower income groups. The primary reason for that is believed to be the underreporting of income by respondents, a problem common to most household surveys...

There are other reasons why expenditures exceed income for the lower income groups. Consumer units whose members experience a spell of unemployment may draw on their savings to maintain their expenditures. Self-employed consumers may experience business losses that result in low or even negative incomes, but are able to maintain their expenditures by borrowing or relying on savings. Students may get by on loans while they are in school, and retirees may rely on savings and investments.<sup>41</sup>

To the extent that income is proportionately underreported across all income levels, but is more evident in lower income brackets, then comparisons across income brackets may be informative on an exploratory basis.

In light of this caveat, it may be observed that consumer units in the "\$5,000 to \$9,999" through the "\$30,000 to \$39,999" income brackets reported a higher portion of after-tax income, charitable cash contributions than did those in other income brackets.

Those in the \$150,000 and more bracket gave the next highest portion of after-tax income to cash contributions for charitable giving.

In the two Income Level tables, the three brackets included in the \$70,000 to \$119,999 range posted a 1.5% figure for charitable giving, lower than the 1.7% for "All consumer units." The six income brackets included in the \$5,000 to \$49,999 range all gave above average portions of income to "church, religious organizations." While those with incomes \$50,000 and above gave, on average, more dollars to "church, religious organizations" than did those in the lower income brackets, those dollars represented a smaller portion of income.

It may also be noted that giving to "church, religious organizations" was the single individual item for which giving increased in current dollars with the increase in each income category.

**Table 32: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2005 Cash Contributions for Charitable Giving by Income Level**

Item	All consumer units	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999
Number of consumer units (in thousands)	117,356	6,421	8,473	7,514	14,712	13,925	11,451	16,956
Consumer unit characteristics: Income after taxes	\$56,304	\$7,898	\$12,591	\$17,301	\$24,609	\$33,980	\$43,518	\$57,027
<b>Average Annual Expenditures</b>								
<b>Cash Contributions for Charitable Giving</b>								
Cash contributions to:								
charities and other organizations	\$200.26	\$40.72	\$44.01	\$66.34	\$81.15	\$125.33	\$114.03	\$164.84
church, religious organizations	706.81	161.70	255.45	327.35	427.24	503.93	581.58	686.50
educational institutions	37.46	0.70	8.30	2.60	37.79	9.64	9.76	35.23
Gifts to non-CU members of stocks, bonds, and mutual funds	34.18	0.07	2.34	4.42	1.91	4.66	34.66	18.08
Total (calculated)	\$978.71	\$203.19	\$310.10	\$400.71	\$548.09	\$643.56	\$740.03	\$904.65
<b>Calculated:</b>								
<b>% of Income after Taxes</b>								
Cash contributions to:								
charities and other organizations	0.36%	0.52%	0.35%	0.38%	0.33%	0.37%	0.26%	0.29%
church, religious organizations	1.26%	2.05%	2.03%	1.89%	1.74%	1.48%	1.34%	1.20%
educational institutions	0.07%	0.01%	0.07%	0.02%	0.15%	0.03%	0.02%	0.06%
Gifts to non-CU members of stocks, bonds, and mutual funds	0.06%	0.00%	0.02%	0.03%	0.01%	0.01%	0.08%	0.03%
Total	1.7%	2.6%	2.5%	2.3%	2.2%	1.9%	1.7%	1.6%

Details in the above table may not compute to the numbers shown due to rounding.

Source: empty tomb, inc. analysis, 2007, U.S. Bureau of Consumer Expenditure Survey, 2005

**Table 33: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2005 Cash Contributions for Charitable Giving by Higher Income Level**

Item	All consumer units	\$70,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$119,999	\$120,000 to \$149,999	\$150,000 and more
Number of consumer units (in thousands)	117,356	6,725	9,448	6,065	4,719	6,464
Consumer unit characteristics: Income after taxes	\$56,304	\$71,923	\$85,251	\$104,124	\$125,329	\$232,706
<b>Average Annual Expenditures</b>						
<b>Cash Contributions for Charitable Giving</b>						
Cash contributions to:						
charities and other organizations	\$200.26	\$202.66	\$251.40	\$265.65	\$423.07	\$1,154.96
church, religious organizations	706.81	825.34	990.80	1,213.20	1,563.45	2,349.24
educational institutions	37.46	12.20	37.93	79.94	66.46	255.95
Gifts to non-CU members of stocks, bonds, and mutual funds	34.18	9.10	2.72	2.08	88.90	408.66
Total (calculated)	\$978.71	\$1,049.30	\$1,282.85	\$1,560.87	\$2,141.88	\$4,168.81
<b>Calculated</b>						
<b>% of Income after Taxes</b>						
Cash contributions to:						
charities and other organizations	0.36%	0.28%	0.29%	0.26%	0.34%	0.50%
church, religious organizations	1.26%	1.15%	1.16%	1.17%	1.25%	1.01%
educational institutions	0.07%	0.02%	0.04%	0.08%	0.05%	0.11%
Gifts to non-CU members of stocks, bonds, and mutual funds	0.06%	0.01%	0.00%	0.00%	0.07%	0.18%
Total	1.7%	1.5%	1.5%	1.5%	1.7%	1.8%

Details in the above table may not compute to the numbers shown due to rounding.

Source: empty tomb, inc. analysis, 2007, U.S. Bureau of Consumer Expenditure Survey, 2005

### Cash Contributions by Age, 2005

The CE also measured Americans' cash contributions to charitable causes by age of contributor.<sup>42</sup> Table 34 presents the data in tabular form.

The seven age categories under consideration started with the "Under 25 years" grouping, proceeded with "25-34 years" as the first of five 10-year periods, and culminated with the "75 years and older" cohort.

In 2005, giving as a percent of income after taxes to "church, religious organizations" grew as a portion of income as the age brackets advanced. Contributions to "educational institutions" as a portion of income were highest in the 75 years and older age bracket, while contributions to "charities, and other organizations" peaked in the 65-74 years cohort, with the 75 years and older cohort giving only a slightly smaller portion of income to that category.

The fact that members of the "Under 25 years" directed 87% of their giving as a percent of income after taxes to the "church, religious organizations" category provides support for the view that religion serves as the seedbed of philanthropic giving in America. Giving to that category among this group was considerably higher at 0.62% than to both "charities and other organizations" at 0.09%, and "educational institutions" at 0.01%.

The age brackets in which charitable giving as a portion of income was highest were the 75 years and older cohort, and the 65-74 years cohort. One factor that all

**Table 34: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2005 Cash Contributions for Charitable Giving by Age**

Item	All consumer units	Under 25 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years and older
Number of consumer units (in thousands)	117,356	8,543	19,635	23,835	24,393	18,104	11,505	11,342
Consumer unit characteristics:								
Income after taxes	\$56,304	\$27,120	\$53,257	\$69,619	\$71,442	\$61,068	\$43,976	\$27,924
<b>Average Annual Expenditures</b>								
<b>Cash Contributions for Charitable Giving</b>								
Cash contributions to:								
charities and other organizations	\$200.26	\$23.22	\$116.56	\$169.56	\$254.59	\$256.30	\$335.72	\$199.33
church, religious organizations	706.81	167.52	423.95	759.15	834.90	883.91	927.64	710.56
educational institutions	37.46	1.53	15.42	31.06	50.37	56.69	31.09	64.09
Gifts to non-CU members of stocks, bonds, and mutual funds	34.18	0.18	59.43	4.76	38.08	61.98	8.89	50.77
<b>Total (calculated)</b>	<b>\$978.71</b>	<b>\$192.45</b>	<b>\$615.36</b>	<b>\$964.53</b>	<b>\$1,177.94</b>	<b>\$1,258.88</b>	<b>\$1,303.34</b>	<b>\$1,024.75</b>
<b>Calculated % of Income after Taxes</b>								
Cash contributions to:								
charities and other organizations	0.36%	0.09%	0.22%	0.24%	0.36%	0.42%	0.76%	0.71%
church, religious organizations	1.26%	0.62%	0.80%	1.09%	1.17%	1.45%	2.11%	2.54%
educational institutions	0.07%	0.01%	0.03%	0.04%	0.07%	0.09%	0.07%	0.23%
Gifts to non-CU members of stocks, bonds, and mutual funds	0.06%	0.00%	0.11%	0.01%	0.05%	0.10%	0.02%	0.18%
<b>Total</b>	<b>1.7%</b>	<b>0.7%</b>	<b>1.2%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>2.1%</b>	<b>3.0%</b>	<b>3.7%</b>

Details in the above table may not compute to the numbers shown due to rounding.  
Source: empty tomb, inc. analysis, 2007, U.S. Bureau of Consumer Expenditure Survey, 2005

age brackets had in common was that giving as a portion of income to “church, religious organizations” was the largest category. Further, giving to “church, religious organizations” as a portion of income was greater than the sum of the other two categories, namely, “charities and other organizations” plus “educational institutions,” in each of the seven age brackets

### Cash Contributions by Region, 2005

In addition, as shown in Table 35, the CE also measured Americans’ cash contributions to charitable causes by region.<sup>43</sup>

The four region categories for which information was presented in the CE data were Northeast, Midwest, South, and West. Regional charitable giving data and regional income figures were available for the comparison.

Analysis of the 2005 data showed that contributions to charitable causes were highest in the South at 2.1% of income after taxes, followed by the Midwest at 2.0%, and West at 1.5%, and lowest in the Northeast at 1.2%. Contributions to “church, religious organizations” were higher than to the total of contributions to “charities and other organizations” and “educational institutions” in each of the four regions.

The marked difference between the Northeast and the other three regions in 2005 was significant at the 0.05 level in each case. The differences among the other three regions were not statistically significant in any combination of two.

**Table 35: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, Cash Contributions for Charitable Giving by Region of Residence, 2005**

Item	All consumer units	Northeast	Midwest	South	West
Number of consumer units (in thousands)	117,356	22,356	27,005	42,120	25,875
Consumer unit characteristics:					
Income after taxes	\$56,304	\$60,908	\$54,280	\$51,046	\$62,999
<b>Average Annual Expenditures</b>					
<b>Cash Contributions for Charitable Giving</b>					
Cash contributions to:					
charities and other organizations	\$200.26	\$203.13	\$214.07	\$176.69	\$221.75
church, religious organizations	706.81	453.84	784.16	816.81	665.61
educational institutions	37.46	32.78	53.77	22.49	48.83
Gifts to non-CU members of stocks, bonds, and mutual funds	34.18	28.86	16.80	61.71	12.09
Total (calculated)	\$978.71	\$718.61	\$1,068.80	\$1,077.70	\$948.28
<b>Calculated % of Income after Taxes</b>					
Cash contributions to:					
charities and other organizations	0.36%	0.33%	0.39%	0.35%	0.35%
church, religious organizations	1.26%	0.75%	1.44%	1.60%	1.06%
educational institutions	0.07%	0.05%	0.10%	0.04%	0.08%
Gifts to non-CU members of stocks, bonds, and mutual funds	0.06%	0.05%	0.03%	0.12%	0.02%
Total	1.7%	1.2%	2.0%	2.1%	1.5%

Details in the above table may not compute to the numbers shown due to rounding.

Source: empty tomb, inc. analysis, 2007, U.S. Bureau of Consumer Expenditure Survey, 2005

Records were available back to 1987 from the Bureau of Labor Statistics Consumer Expenditure Survey. The specific category of “Gifts to non-CU members of stocks, bonds, and mutual funds,” however, was not available before the second quarter of 2001. Therefore, in the historical series for 1987-2005, comparing Charitable Giving as a portion of after-tax income, Charitable Giving included the three categories of “charities and other organizations,” “church, religious organizations,” and “educational institutions.” Consequently, the 2005 numbers in Table 36, which does not include the category of “Gifts to non-CU members of stocks, bonds, and mutual funds,” differ slightly from the figures in Table 35, which does include that category.

As can be seen in Table 36, the regional pattern noted for 2005 was the same pattern as the average percents for the 1987-2005 period. That is, the South gave

the highest percent of after-tax income in the “cash contributions for charitable giving” category, followed by the Midwest, the West, and the Northeast.

The South has given the highest portion of income to charity on a fairly consistent basis. The South’s overall average of 1.7% of income given to charity is the highest of the four regions. The Northeast posted the lowest portion of income donated for charitable purposes consistently throughout the 1987 through 2005 period, with the exception of 1994, when the Northeast was third and the West was the lowest in the comparison.

The question may be asked whether regional differences in spending on other expenditures categories influence or limit charitable giving levels in the four regions. The category of “Cash Contributions for Charitable Giving” was subtracted from the expenditures total. The reason for this adjustment was to calculate the portion of income remaining after

**Table 36: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, Cash Contributions for Charitable Giving as Percent of Income after Taxes, by Region of Residence, 1987-2005**

Year	All consumer units	Northeast	Midwest	South	West
1987	1.46%	0.86%	1.53%	1.76%	1.56%
1988	1.40%	0.83%	1.43%	1.68%	1.52%
1989	1.56%	1.04%	1.55%	2.01%	1.47%
1990	1.43%	1.03%	1.40%	1.69%	1.50%
1991	1.58%	1.11%	1.69%	1.74%	1.72%
1992	1.58%	1.26%	1.78%	1.78%	1.42%
1993	1.46%	0.98%	1.57%	1.57%	1.68%
1994	1.44%	1.30%	1.42%	1.73%	1.20%
1995	1.50%	1.06%	1.41%	1.66%	1.79%
1996	1.42%	0.93%	1.57%	1.75%	1.23%
1997	1.39%	0.88%	1.41%	1.70%	1.41%
1998	1.41%	0.89%	1.42%	1.68%	1.50%
1999	1.58%	1.03%	1.59%	1.83%	1.75%
2000	1.46%	0.95%	1.93%	1.42%	1.50%
2001	1.53%	1.14%	1.66%	1.72%	1.48%
2002	1.55%	1.14%	1.69%	1.64%	1.65%
2003	1.57%	0.99%	1.75%	1.82%	1.57%
2004	1.47%	0.84%	1.93%	1.53%	1.52%
2005	1.68%	1.13%	1.94%	1.99%	1.49%
Average for the 1987-2005 Period	1.5%	1.0%	1.6%	1.7%	1.5%

Source: empty tomb, inc. analysis, 2007, U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 1987-2005



expenditures other than those for charitable giving. The adjusted total expenditures figure was then divided by the region's after-tax income. The resulting percentage is shown in Table 37, which presents expenditure data by region of residence for 2005.

It was instructive to note that variations in giving to charity by region did not seem to be a function of expenditures by region in comparison to income differentials. The West had the highest expenditures as a percent of after-tax income. The Northeast had both the second highest income and the second highest level of expenditures. However, the Northeast spent the lowest portion of after-tax income on expenditures, apart from charitable contributions. While the average figure for All Consumer Units spent on expenditures as a portion of after-tax income was 81%, the Northeast was the only region below that average, at 77%.

**Table 37: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, Expenditures as Percent of Income, by Region of Residence, 2005**

Item	All consumer units	Northeast	Midwest	South	West
Number of consumer units (in thousands)	117,356	22,356	27,005	42,120	25,875
Consumer unit characteristics:					
Income after taxes	\$56,304	\$60,908	\$54,280	\$51,046	\$62,999
<b>Average Annual Expenditures Seven Major Categories</b>					
Food	\$5,931.28	\$6,494.99	\$5,753.92	\$5,490.77	\$6,339.44
Housing	15,167.04	16,420.76	14,150.70	13,402.39	18,016.16
Apparel and services	1,885.90	2,035.96	1,750.40	1,836.22	1,975.46
Transportation	8,344.21	7,731.95	7,752.81	7,989.91	10,067.78
Health care	2,664.27	2,581.06	2,840.62	2,605.67	2,647.14
Entertainment	2,387.91	2,263.45	2,384.11	2,111.77	2,949.87
Personal insurance and pensions	5,203.91	5,353.27	5,212.38	4,759.89	5,788.79
<b>Other Expenses*</b>	4,824.31	5,039.18	5,182.17	4,307.77	5,106.28
Total Expenditures (calculated)	\$46,408.80	\$47,920.60	\$45,027.11	\$42,504.37	\$52,890.92
Charitable Giving	\$978.71	\$718.61	\$1,068.80	\$1,077.70	\$948.28
Total Expenditures Less Charitable Giving	\$45,430.09	\$47,201.99	\$43,958.31	\$41,426.67	\$51,942.64
<b>Calculated: Average Annual Expenditures Less Charitable Giving as % Income after Taxes</b>	81%	77%	81%	81%	82%

Details in the above table may not computer to the numbers shown due to rounding.

\*Other expenses include: "Alcoholic beverages; personal care products and services; Reading; Education; Tobacco products and smoking supplies; Miscellaneous; Cash contributions."

"Cash contributions" includes: "Support for college students; Alimony expenditures; Child support expenditures;

'Charitable giving' (Cash contributions to charities and other organizations; Cash contributions to church, religious organizations; Cash contributions to educational institutions; Gift to non-CU members of stocks, bonds, and mutual funds); Cash contribution to political organizations."

Source: empty tomb, inc. analysis, 2007, U.S. Bureau of Labor Statistics Consumer Expenditure Survey, 2005

## **General Information regarding the Consumer Expenditure Survey**

One benefit of the CE is its unbiased data. The Mission Statement of the U.S. Department of Labor, Bureau of Labor Statistics reads:

The **Bureau of Labor Statistics (BLS)** is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics. The BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the U.S. Congress, other Federal agencies, State and local governments, business, and labor. The BLS also serves as a statistical resource to the Department of Labor.

BLS data must satisfy a number of criteria, including relevance to current social and economic issues, timeliness in reflecting today's rapidly changing economic conditions, accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.<sup>44</sup>

The BLS, among its various activities, is the source for the following indexes:

**Producer price index (PPI)**—This index, dating from 1890, is the oldest continuous statistical series published by BLS. It is designed to measure average changes in prices received by producers of all commodities, at all stages of processing, produced in the United States...

**Consumer price indexes (CPI)**—The CPI is a measure of the average change in prices over time in a “market basket” of goods and services purchased either by urban wage earners and clerical workers or by all urban consumers. In 1919, BLS began to publish complete indexes at semiannual intervals, using a weighting structure based on data collected in the expenditure survey of wage-earner and clerical-worker families in 1917-19 (BLS Bulletin 357, 1924)...

**International price indexes**—The BLS International Price Program produces export and import price indexes for nonmilitary goods traded between the United States and the rest of the world.<sup>45</sup>

Among the numerous applications of the BLS Consumer Expenditure Survey, the Survey is used for periodic revision of the Consumer Price Index (CPI). Following are excerpted comments from a “Brief Description of the Consumer Expenditure Survey.”

The current CE program was begun in 1980. Its principal objective is to collect information on the buying habits of U.S. consumers. Consumer expenditure data are used in a variety of research endeavors by government, business, labor, and academic analysts. In addition, the data are required for periodic revision of the CPI.

The survey, which is conducted by the U.S. Census Bureau for the Bureau of Labor Statistics, consists of two components: A diary or recordkeeping, survey...and an interview survey, in which expenditures of consumer units are obtained in five interviews conducted at 3-month intervals...

Each component of the survey queries an independent sample of consumer units that is representative of the U.S. population...The Interview sample, selected on a rotating panel basis, surveys about 7,500 consumer units each quarter. Each consumer unit is interviewed once per quarter, for 5 consecutive quarters. Data are collected on an ongoing basis in 105 areas of the United States.<sup>46</sup>

The BLS, in commenting on the various functions of the Consumer Expenditure Survey, observed that, “Researchers use the data in a variety of studies, including those that focus on the spending behavior of different family types, trends in

expenditures on various expenditure components including new types of goods and services, gift-giving behavior, consumption studies, and historical spending trends.”<sup>47</sup>

Writing in the mid-1980s with reference to the then forthcoming Consumer Expenditure Survey-based revisions in the CPI, eminent business columnist Sylvia Porter remarked that the CPI is “the most closely watched, widely publicized and influential government statistic we have...”<sup>48</sup>

In addition to the fact that the “CPI is used to adjust federal tax brackets for inflation,”<sup>49</sup> a glimpse into the wide-ranging, Consumer Expenditure Survey-based network of CPI usage in American culture is gained from the following information:

The CPI is the most widely used measure of inflation and is sometimes viewed as an indicator of the effectiveness of government economic policy. It provides information about price changes in the Nation’s economy to government, business, labor, and private citizens and is used by them as a guide to making economic decisions. In addition, the President, Congress, and the Federal Reserve Board use trends in the CPI to aid in formulating fiscal and monetary policies.

The CPI and its components are used to adjust other economic series for price changes and to translate these series into inflation-free dollars. Examples of series adjusted by the CPI include retail sales, hourly and weekly earnings, and components of the National Income and Product Accounts...

The CPI is often used to adjust consumers’ income payments (for example, Social Security) to adjust income eligibility levels for government assistance and to automatically provide cost-of-living wage adjustments to millions of American workers. As a result of statutory action the CPI affects the income of about 80 million persons: the 51.6 million Social Security beneficiaries, about 21.3 million food stamp recipients, and about 4.6 million military and Federal Civil Service retirees and survivors. Changes in the CPI also affect the cost of lunches for 28.4 million children who eat lunch at school, while collective bargaining agreements that tie wages to the CPI cover over 2 million workers. Another example of how dollar values may be adjusted is the use of the CPI to adjust the Federal income tax structure. These adjustments prevent inflation-induced increases in tax rates, an effect called *bracket creep*...

Data from the Consumer Expenditure Survey conducted in 2001 and 2002, involving a national sample of more than 30,000 information families, provided detailed information on respondents’ spending habits. This enabled BLS to construct the CPI market basket of goods and services and to assign each item in the market basket a weight, or importance, based on total family expenditures...<sup>50</sup>

**Notes for Chapter 7, pages 91-99**

<sup>37</sup> The above estimate of \$114.86 billion is likely a high measure of charitable giving insofar as it includes all of the \$4.01 billion in the category, “Gift[s] to non-CU members of stocks, bonds, and mutual funds.” This attribution thus assumes that all of the \$4.01 billion given in this category went to charitable organizations, although the CE does not allocate the funds of this category between charitable and non-charitable recipients.

<sup>38</sup> Americans’ charitable giving was calculated by multiplying the 117,356,000 “Number of consumer units” by each of the average annual consumer unit contributions for 2005, the components of which were \$200.26 (“charities and other organizations”), \$706.81 (“church, religious organizations”), \$37.46 (“educational institutions”), and \$34.18 (“Gifts to non-CU members of stocks, bonds, and mutual funds”). The resultant sum of the aggregated components yielded a total giving amount of \$114.86 billion. The “Cash contributions to church, religious organizations” amount, therefore, was calculated by multiplying the number of consumer units by \$706.81 yielding an amount of \$82.95 billion for 2005. Religion as a percent of the total was calculated by dividing \$82.95 billion by \$114.86 billion, yielding 72%. “Cash contributions” items not included in the above calculations for charitable contributions were “Support for college students (Sec.19); Alimony expenditures (Sec. 19); Child support expenditures (Sec. 19); Cash contribution to political organizations; Other cash gifts.” Data source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, “Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2005” [Item detail]; StTable1800Region2005.pdf; Created 10/16/2006, 12:56 PM; pp. 1, 17 & 29 of 7/12/2007 printout.

<sup>39</sup> Data sources: U.S. Department of Labor, U.S. Bureau of Labor Statistics, “Table 1202. Income before taxes: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2005” [Item detail]; StTable1200Income2005.pdf; Created 10/16/2006, 12:52 PM; pp. 1, 18 & 30, of 7/12/2007 printout; and “Table 2301. Higher Income before taxes: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2005” [Item detail]; StTable2301HiInc2005.pdf; Created 10/16/2006, 12:58 PM; pp. 1, 18 & 30 of 7/12/2007 printout.

<sup>40</sup> Information from the outlier “Less than \$5,000” bracket, while part of the “All consumer units” data, was not otherwise included in the present analysis.

<sup>41</sup> Consumer Expenditure Survey “Frequently Asked Questions”; U.S. Department of Labor, U.S. Bureau of Labor Statistics, Consumer Expenditure Surveys, Branch of Information and Analysis; Last Modified Date: March 17, 2005; <<http://www.bls.gov/cex/csxfqs.htm>>; p. 7 of 5/28/05 10:32 AM printout.

<sup>42</sup> Data source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, “Table 1300. Age of reference person: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2005” [Item detail]; StTable1300Age2005.pdf; Created 10/16/2006, 12:52 PM; pp. 1, 18 & 30 of 7/12/2007 printout.

<sup>43</sup> Data source: U.S. Department of Labor, U.S. Bureau of Labor Statistics, “Table 1800. Region of residence: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2005” [Item detail]; StTable1800Region2005.pdf; Created 10/16/2006 12:56 PM; pp. 1, 17 & 29 of 7/12/2007 printout.

<sup>44</sup> “Mission Statement”; U.S. Department of Labor, Bureau of Labor Statistics; Last Modified Date: October 16, 2001; <<http://www.bls.gov/bls/blsmissn.htm>>; p. 1 of 8/15/05 4:59 PM printout.

<sup>45</sup> U.S. Census Bureau, *Statistical Abstract of the United States: 2006*, 125<sup>th</sup> edition; published 2005; <<http://www.census.gov/prod/2005pubs/06statab/prices.pdf>>; pp. 479, 481 of 5/31/06 printout.

<sup>46</sup> “Consumer Expenditures in 2004”; Report 992; U.S. Department of Labor, U.S. Bureau of Labor Statistics; April 2006; <<http://www.bls.gov/cex/csxann04.pdf>>; pp. 4-5 of 5/30/06 printout.

<sup>47</sup> Consumer Expenditure Survey “Frequently Asked Questions”; U.S. Department of Labor, U.S. Bureau of Labor Statistics, Consumer Expenditure Surveys, Branch of Information and Analysis; Last Modified Date: March 17, 2005; <<http://www.bls.gov/cex/csxfqs.htm>>; p. 2 of 5/28/05 10:32 AM printout.

<sup>48</sup> Sylvia Porter, “Out-of-Date Consumer Price Index to Be Revised in ’87,” a “Money’s Worth” column appearing in *Champaign (Ill.) News-Gazette*, January 9, 1985, sec. D, p. 3.

<sup>49</sup> “Price Index Undergoes Statistical Adjustment,” an Associated Press (Washington) article appearing in the *Champaign (Ill.) News-Gazette*, April 19, 1998, sec. C, p. 1.

<sup>50</sup> Consumer Price Indexes “Addendum to Frequently Asked Questions”; U.S. Department of Labor, Bureau of Labor Statistics, Division of Consumer Prices and Price Indexes; Last Modified Date: March 28, 2005; <[http://www.bls.gov/cpi/cpiadd.htm#2\\_1](http://www.bls.gov/cpi/cpiadd.htm#2_1)>; pp. 1-2 of 5/31/06 10:54 AM printout.