



This edition of Modern Retirement Monthly looks at US household spending trends based on data files from the RAND Health and Retirement Study (HRS). (UBS)

Retirement

# Retirement household spending trends

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**US household spending varies across different ages and expense types. This report looks at survey data to estimate the average annual spend of retiree households in 2020.**

This edition of *Modern Retirement Monthly* looks at US household spending trends based on data files from the RAND Health and Retirement Study (HRS).\*

Using figures to guide you along, the report is split into two sections:

1. We analyze survey data captured over a 10-year period to estimate the annual spending trends—by age and expense category—of an average US household in 2020.
2. We apply the results of our analysis in the form of a case study to uncover planning and investment considerations after accounting for inflation expectations.

Some of our conclusions on the RAND Health and Retirement Study (HRS) include:

- US households containing relatively younger retirees generally spend more in a calendar year than the households containing more-senior retirees.

- Total spending typically declines but then begins to increase for US households containing retirees in their latter years.
- The increasing total spending amount that occurs in the latter years is largely attributable to health-related expenses as well as housing.

[Click here](#) to read our case study on a hypothetical household with a 65-year-old couple.

For more, see [Modern retirement monthly: Retirement household spending trends](#), 8 April, 2020.

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\* The RAND HRS CAMS Spending Data is a longitudinal dataset that contains data for respondents who completed Part B (Consumption) of the CAMS survey at least once. These files were developed at RAND with funding from the National Institute on Aging and the Social Security Administration. The most recent dataset is available at: <https://www.rand.org/well-being/social-and-behavioral-policy/centers/aging/dataproduct/cams.html>.



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