



Regional Measurement: Income & Employment

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*BEA State & Local Data Symposium
May 18, 2005*



Outline of Presentation

- What we produce
- Uniqueness
- How we produce it
- Additional Resources / Data Dissemination
- Future directions
- Issues/problems specific to regional program

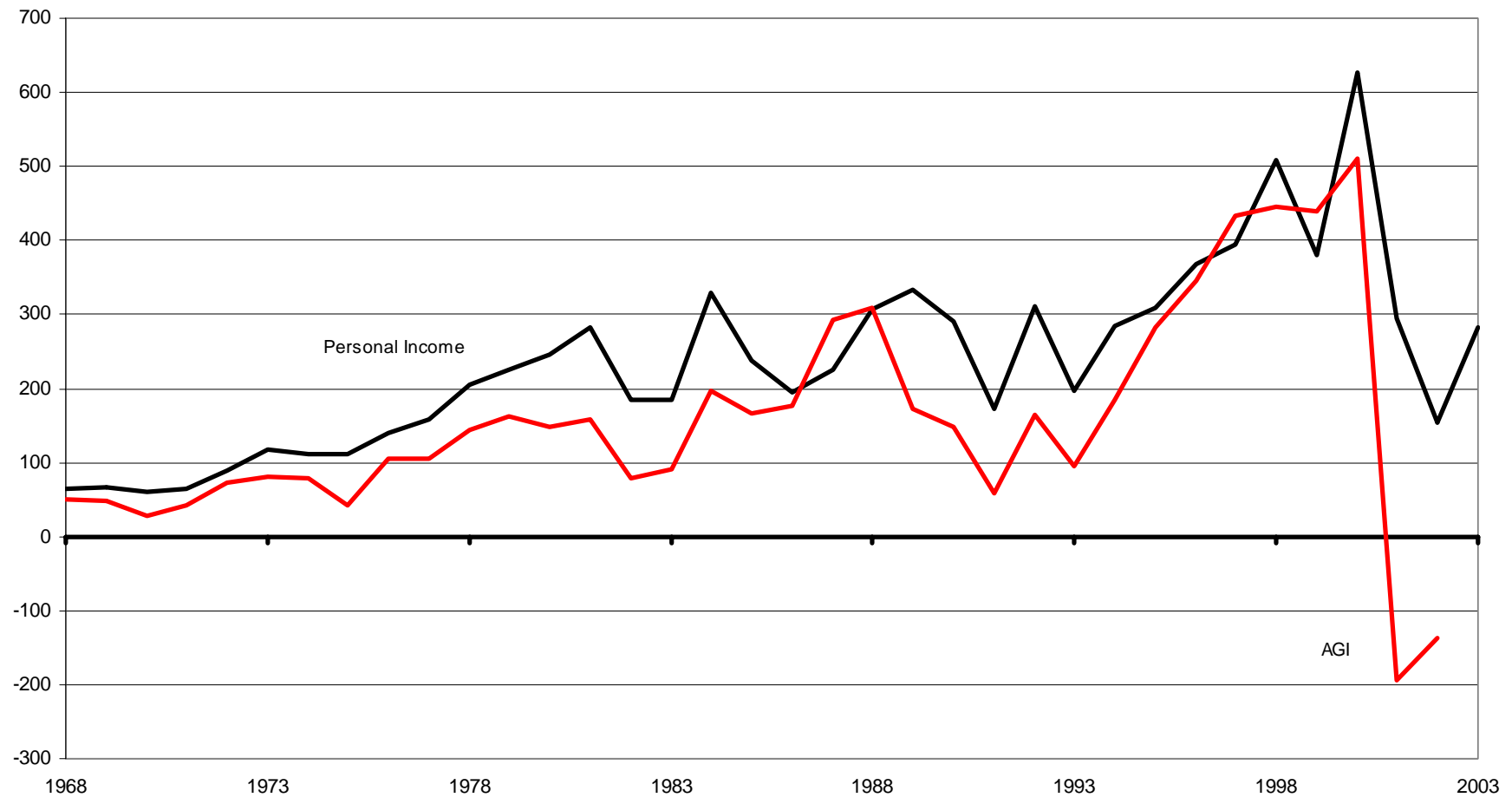


What We Produce

- State Personal Income
 - The only comprehensive and timely measure of income by state
 - Quarterly income by sector--3 months after end of period
 - AGI is not timely; Money income is not comprehensive



Year-to-year Change in Personal Income & Adjusted Gross Income (in dollars)





What We Produce

- Total employment
 - Wage employment + proprietors + general partners
 - Job Count not Worker Count
 - Earnings and employment are consistent
 - Earnings per job
 - Annual state employment by sub sector--9 months after end of year



What We Produce

- County Personal Income and Employment
 - The most comprehensive economic time series for counties
 - Annual compensation by sub sector--13 months after end of year
 - Annual income and earnings by sub sector--16 months after end of year
 - Annual employment by sector--16 months after end of year



What is Unique About Our Products

- Commuting Patterns
 - **Place of work** compensation and earnings
 - Shows location of production
 - Used as proxy for current production
 - **Place of residence** income
 - Indicator of economic well-being
 - Shows where income is available for tax planning and for spending analyses

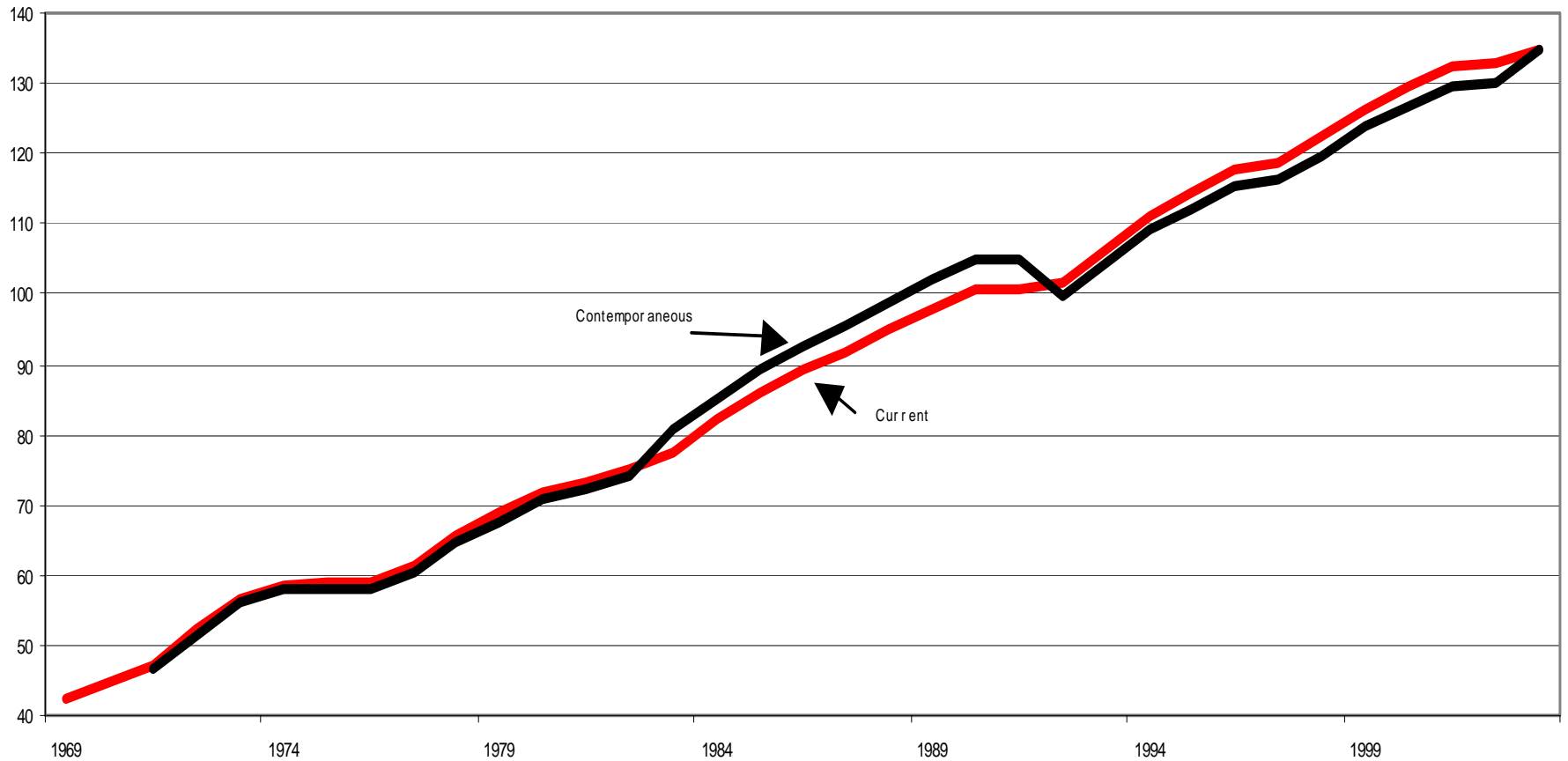


What is Unique About Our Products

- Time Consistency from 1969 counties, 1929 states
- Geography
 - **County-based program**--3,111 Counties
 - Building blocks for larger sub state geography
 - 361 Metropolitan Areas
 - 29 Metropolitan Divisions
 - 575 Micropolitan Areas
 - 120 Combined Statistical Areas
 - 179 BEA Economic Areas
 - Any county-based region by request



Gainesville, Florida MSA -- Wage & Salary Employment (in thousands)





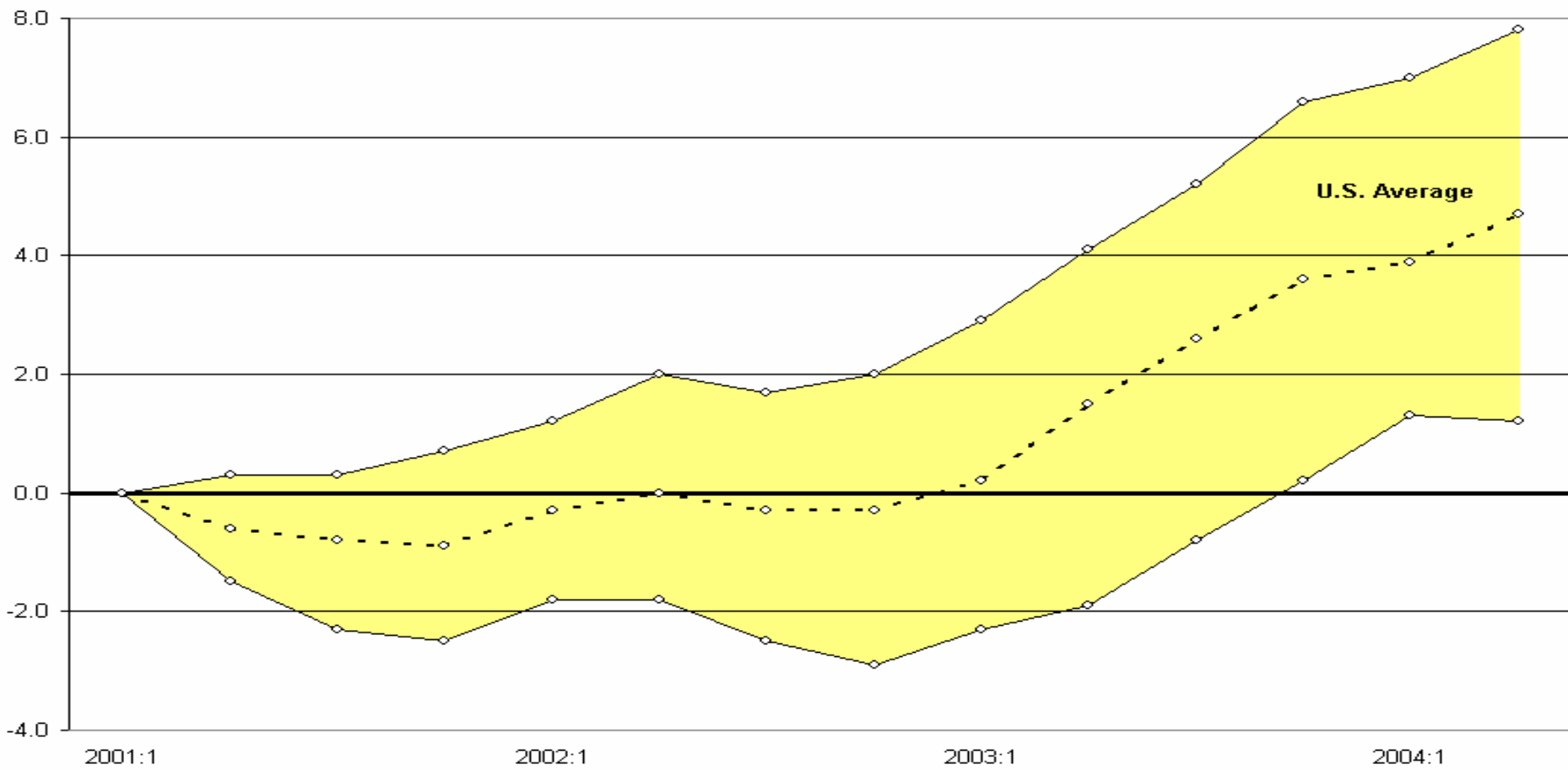
What is Unique About Our Products

- Time series--how things change over time
 - Short run business cycle dynamics
 - Long run convergence of per capita income



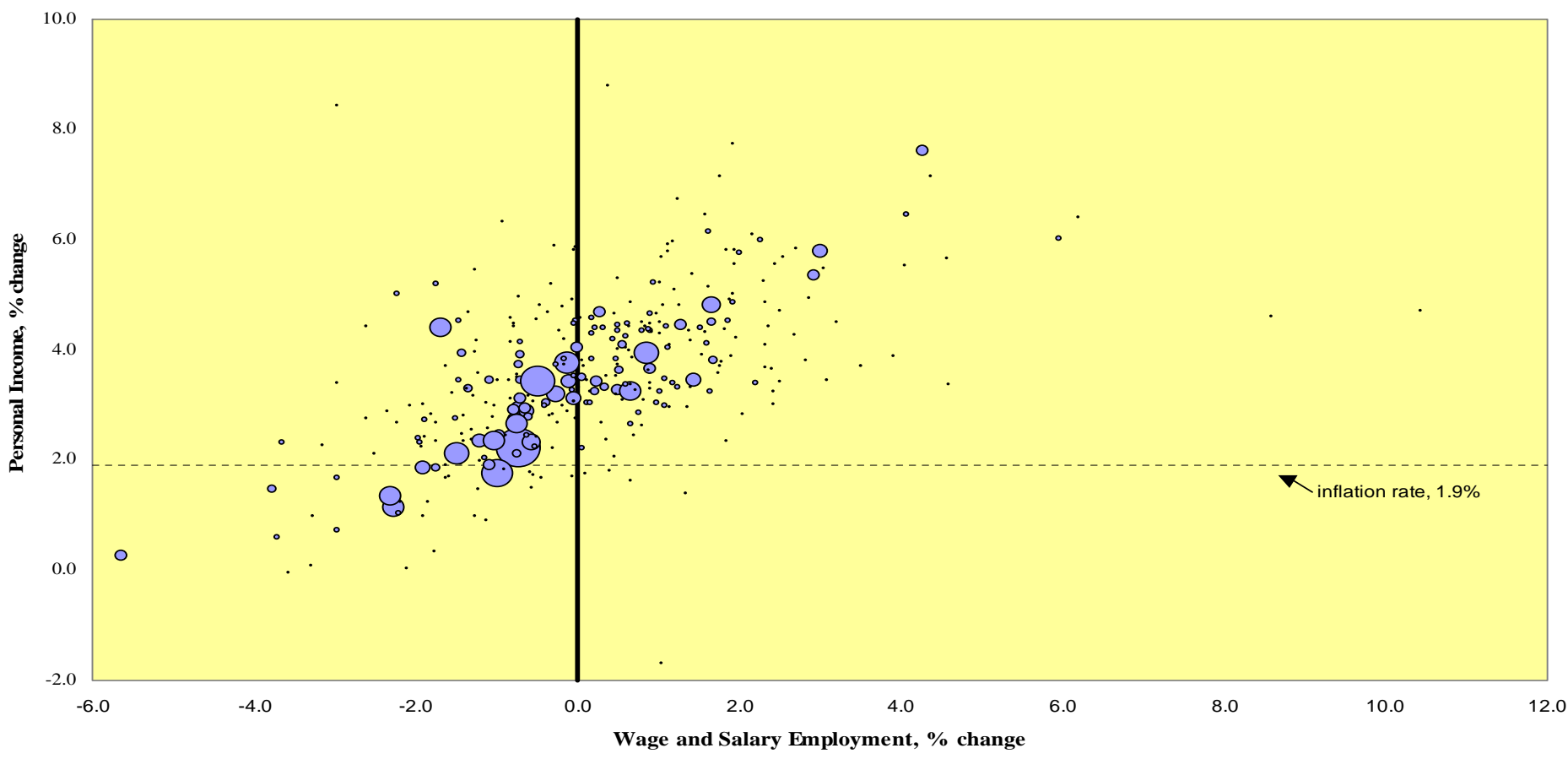
Real Earnings by Place of Work

(% change since 2001:1)



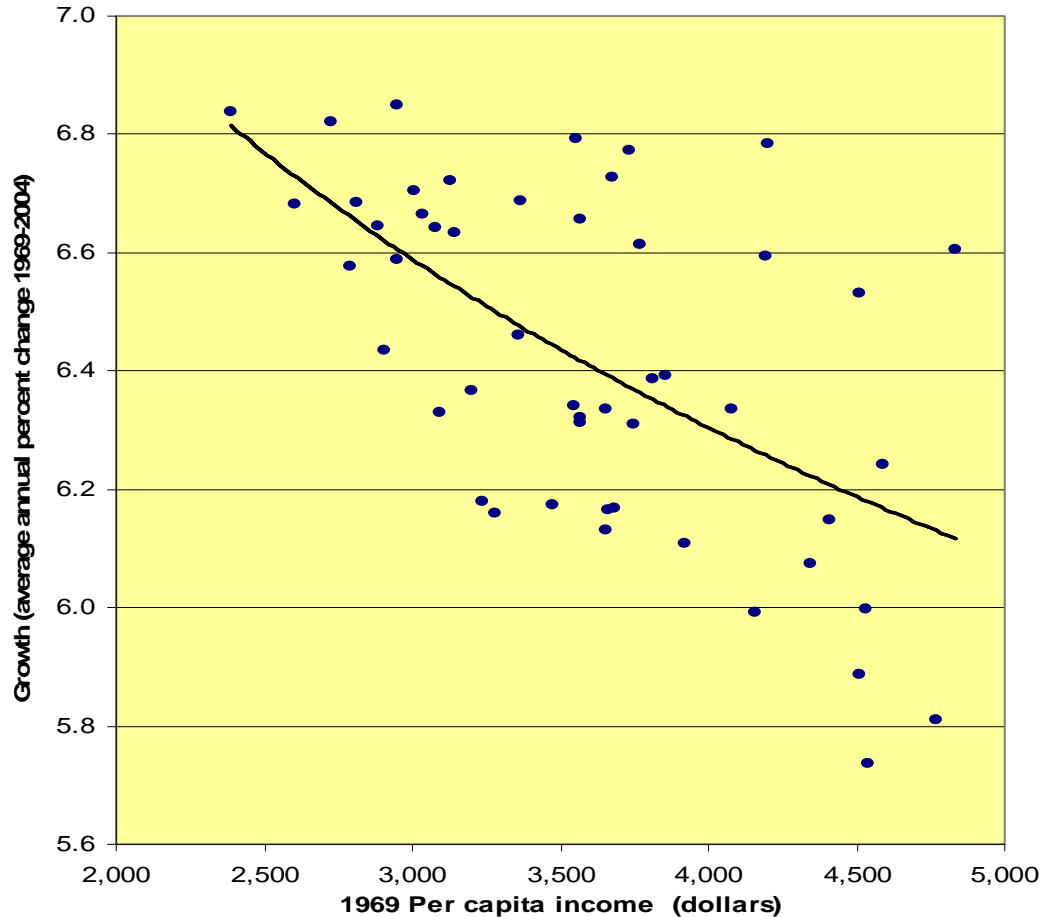


MSA Income and Employment Growth (% change 2002-03)



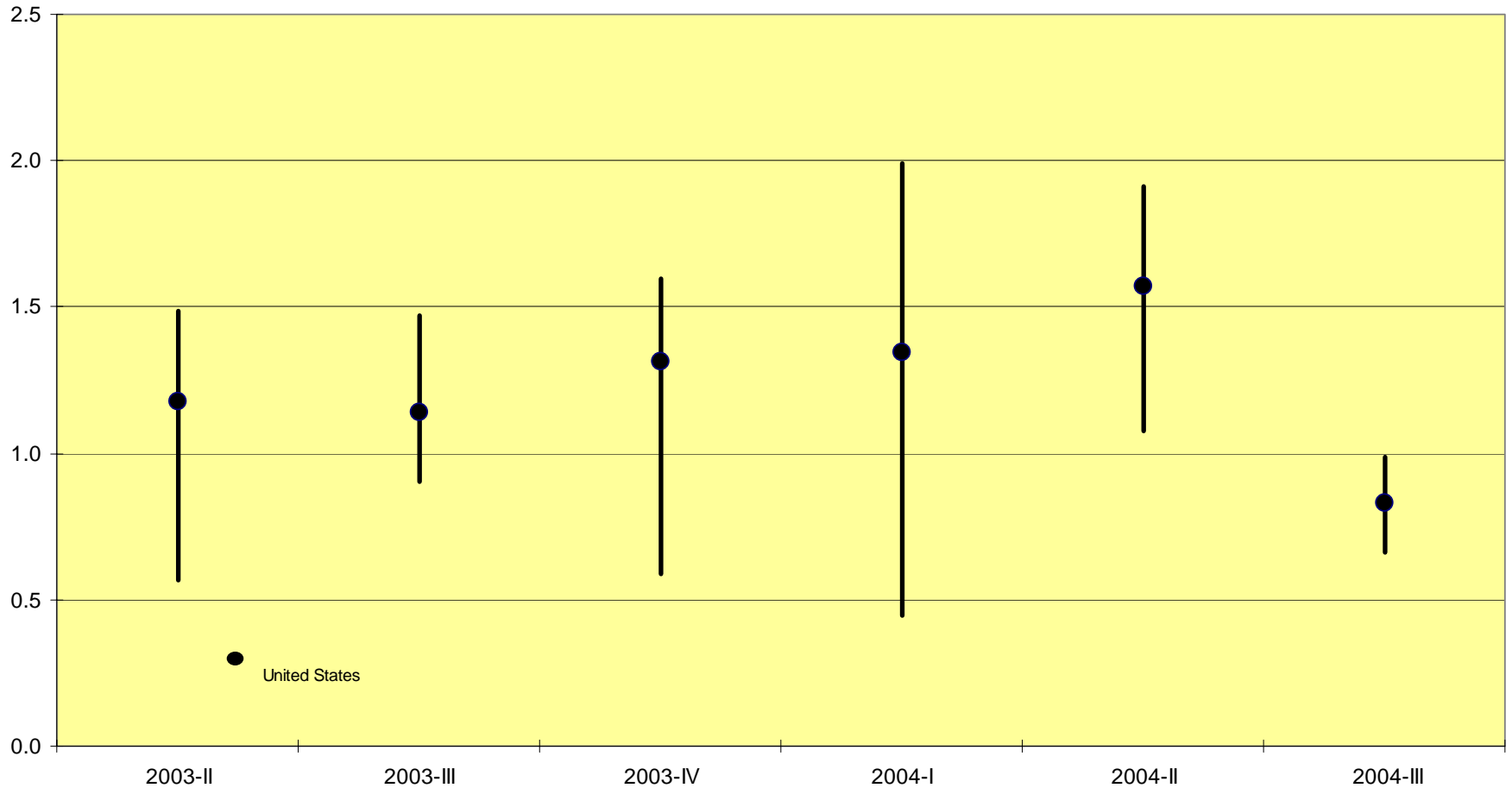


Per Capita Income Convergence 1969-2004





Range of Personal Income Growth Rates, by quarter: 8 BEA Regions and US





What is Unique About Our Products

- Current Legislated Uses
 - Per Capita Income in federal program formulas to distribute over \$197 billion to states
 - State government revenue and expenditure limits
 - 19 states with revenue/spending limits tied to state personal income



How We Produce the Estimates

- Administrative record information
 - Advantage--provide detailed estimates at low cost
 - Disadvantage--do not precisely match what is being estimated
 - Adjustments made to compensate for differences in definition, coverage, and geographic detail
- Some census data--quinquennial Agriculture and decennial Population and Housing
- Very little from survey information



Additional Resources / Data Dissemination

- BEA Web Site
 - Interactive data retrieval
 - BEARFACTS (computer generated narratives)
 - Methodological Documentation
 - Press releases and *Survey of Current Business* articles
 - Automatic notification
- REIS CD-ROM and SPI CD-ROM
- BEA User Group



The Future--Strategic Plan Goals

- Accelerate the release of the estimates
 - Metro from 17 months to 9 months (2006)
 - County from 17 months to 10 months (Funding)
- Metro area disposable personal income
- Alternative measures of income by State
- NAICS back to 1990
- Personal income mapping
- New source data



Issues/Problems Specific to Regional Program

- Industry mix
 - Farm and mining
 - Small for nation but have large impact on selected localities and states
 - Manufacturing
 - Santa Clara County, CA (Silicon Valley)--3rd fastest county growth in 2000 to largest declining county in 2001--partly timing of exercised stock options
 - Securities, commodity contracts, investments
 - New York County (Manhattan) NY accounts for 31% of U.S. total



Issues in Estimation

- Economy is changing
- Sources and Methods must fit the evolving regional economy
 - Must be continuously evaluated
 - And changed to deal with changing economy
 - Assumptions in methods should be continuously assessed
 - Military compensation
 - Need to continually reevaluate the sources and methods used to make estimates



Questions/Comments?

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