

Metropolitan Statistical Area Changes

by Jim Van Geffen

The last several years have been marked by rapid economic change. Along with these changing economic times, we have also witnessed changes in the way economic data is reported. Some recent changes in economic reporting include the switch from the Standard Industrial Classification (SIC) system of classifying industries to the North American Industrial Classification System (NAICS), in which the core economic activity of the employer is now used to determine the industrial classification. The switch to NAICS also allowed, for the first time, the direct comparison of industrial employment data between Canada, Mexico, and the United States. Other changes include the movement away from the old Dictionary of Occupational Titles (DOT) to the Standard Occupational Classification (SOC) system of classifying occupations.

One upcoming change will not involve how economic data is coded or displayed. Rather, it will only change some of the ways the data is reported. This change will be to the geographic definition of the Metropolitan Statistical Areas (MSAs). These changes include incorporating some new counties into old MSAs, removing some counties, creating new MSAs, combining some MSAs, and even eliminating a few MSAs. In the next few pages, we will provide you with the background behind these changes, the impact of these changes on data users, and a timetable for implementation.

Background

First things first. What is an MSA? An MSA can roughly be defined as an area with a substantial population center (a county), and adjacent areas (counties) having a high degree of economic homogeneity, where economic integration is usually measured by commuting patterns. According to a history of the MSAs from the U.S. Census Bureau, the standard definitions of metropolitan areas were first issued in 1949 by the then Bureau of the Budget (predecessor of the Office of Management and Budget, or OMB), under the designation “standard metropolitan area” (SMA). The term was changed to “standard metropolitan statistical area” (SMSA) in 1959, and to “metropolitan statistical area” (MSA) in 1983. The term “metropolitan area” (MA) was adopted in 1990 and referred collectively to metropolitan statistical areas (MSAs), consolidated metropolitan statistical areas (CMSAs), and primary metropolitan statistical areas (PMSAs). The term “core based statistical area” (CBSA) became effective in 2000 and refers collectively to metropolitan and micropolitan statistical areas.

These standard area definitions were created to help provide more localized economic data. However, the demand for more localized data needed to be balanced by the funds available for gathering that data. Thus the birth of the MSAs. These areas are large enough to produce statistically valid economic data series that are comparable over time and over geographic areas.

Who makes changes to MSAs? Currently, the Office of Management and Budget sets the standards for defining MSAs. The new 2000 Census-based MSAs were published in a *Federal Register Notice* (65 FR 82228–82238) on December 27, 2000. These changes were codified in the OMB BULLETIN NO. 03-04 (<http://www.whitehouse.gov/omb/bulletins/b03-04.html>). The changes recognized 49 new MSA areas previously not seen under the 1990 definition. These new areas bring the total number of recognized MSAs in the U.S. to 362, which now account for approximately 83 percent of the U.S. population. The new changes include the addition of 243 counties to MSAs, or roughly the state of Texas (254 counties) added since the 1990 definitions!

How were the changes identified? To be considered an MSA, an urbanized area had to have a population of at least 50,000 persons. In 2000, the U.S. Census Bureau further refined the definition of an urban area to be an area that has core census tracts or block groups with a density of 1,000 persons per square mile and surrounding blocks with a density of 500 persons per square mile. At a minimum, these areas must have 2,500 people to be considered an urban area.

If any adjacent areas had a high degree of economic and social integration with the urbanized area, then those areas could also be included in the MSA. The degree of economic and social integration was measured by commuting patterns, which are county based. Even though census tracts and block groups were used as the basis for defining urban areas, MSAs are defined entirely by county borders.

Several other new geographic designations also came from the most recent OMB change, however, data produced by the Labor Market Information Department (LMI) of the Texas Workforce Commission (TWC) will only be produced for the MSA areas. These other areas include Core Based Statistical Area (CBSA), Urban areas, Urbanized Areas, Urbanized Clusters, Metropolitan Division, Micropolitan Statistical Areas, and Combined Statistical Areas. For more information about these other areas, please see the Office of Management and Budget website at (<http://www.whitehouse.gov/omb/inforeg/statpolicy.html#ms>).

To establish the names for the MSA, the OMB used the largest city in the MSA and designated it as the principal city. Additional cities qualify to be principal cities if requirements for population size and employment are met. An MSA name may contain up to three principal cities, with the largest city listed first in the name.

Impact on Texas

How will these new changes impact Texas? Currently, Texas has 27 MSAs. Under the changes soon to be implemented, the state will have 25 MSAs. Included in these 25 (see Table 1) are six name changes, two new MSAs (by splitting a former MSA into two MSAs), and two Metropolitan Divisions (smaller components of an MSA). Also, two MSAs were lost (combined with another MSA). In

addition, twenty-two new counties are included in these MSAs, while three counties have dropped out. This brings the total number of counties in Texas covered by MSAs to 77, up from 58. The San Antonio MSA gained the most new counties, adding Atascosa, Bandera, Kendall, and Medina Counties to its mainstays of Bexar, Comal, Guadalupe, and Wilson Counties.

Of the 25 MSAs, 14 saw an increase in their number of counties, while three MSAs lost counties. The following counties are no longer in MSAs: Harrison County (formerly in the Longview MSA), Henderson County (Dallas MSA), and Hood County (Fort Worth-Arlington MSA).

In addition to the geographic changes are several name changes. The old Austin-San Marcos MSA is now called the Austin-Round Rock MSA. The Brownsville-Harlingen MSA has dropped the city of San Benito from its moniker. The Bryan-College Station MSA is now called the College Station-Bryan MSA. The Dallas and Fort

Worth-Arlington MSAs have been combined into the Dallas-Fort Worth-Arlington MSA, and this MSA has been further broken into the Dallas-Plano-Irving Metropolitan Division and the Fort Worth-Arlington Metropolitan Division.

Another MSA that grew is the Houston MSA. This MSA is now called the Houston-Baytown-Sugar Land MSA and incorporates the former Brazoria and Galveston-Texas City MSAs. The Killeen-Temple MSA is now referred to as the Killeen-Temple-Fort Hood MSA. The Longview MSA no longer includes the city of Marshall in its name. The McAllen-Edinburg-Mission MSA now goes by McAllen-Edinburg-Pharr. The only other change is the splitting of the former Odessa-Midland MSA into two new MSAs, the Odessa MSA and the Midland MSA.

Data Published Under the New Definitions

When will the new geographic definitions be used for publishing labor market data? The Bureau of Labor Statistics plans to release

Table 1. New MSA Definitions (Counties in *italics* are new to the MSA)

	MSA Name	Counties
1	Abilene	<i>Callahan, Jones</i> , Taylor
2	Amarillo	<i>Armstrong, Carson</i> , Potter, Randall
3	Austin-Round Rock	Bastrop, Caldwell, Hays, Travis, Williamson
4	Beaumont-Port-Arthur	Hardin, Jefferson, Orange
5	Brownsville-Harlingen	Cameron Co.
6	Bryan-College Station	Brazos, <i>Burleson, Robertson</i>
7	Corpus Christi	<i>Aransas, Nueces</i> , San Patricio
8	Dallas-Fort Worth-Arlington MSA	Consists of Dallas-Plano-Irving MD* and Fort Worth-Arlington MD*
	Dallas-Plano-Irving MD	Collin, Dallas, <i>Delta</i> , Denton, Ellis, Hunt, Kaufman, Rockwall
	Fort Worth-Arlington MD	Johnson, Parker, Tarrant, <i>Wise</i>
9	El Paso	El Paso Co.
10	Houston-Baytown-Sugar Land	<i>Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto</i> , Waller
11	Killeen-Temple-Fort Hood	Bell, Coryell, <i>Lampasas</i>
12	Laredo	Webb Co.
13	Longview	Gregg, <i>Rusk</i> , Upshur
14	Lubbock	<i>Crosby</i> , Lubbock
15	McAllen-Edinburg-Pharr	Hidalgo Co.
16	Midland	Midland Co.
17	Odessa	Ector Co.
18	San Angelo	<i>Irion</i> , Tom Green
19	San Antonio	<i>Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, Wilson</i>
20	Sherman-Denison	Grayson Co.
21	Texarkana	Bowie Co., TX & Miller Co., ARK
22	Tyler	Smith Co.
23	Victoria	<i>Calhoun, Goliad</i> , Victoria
24	Waco	McLennan Co.
25	Wichita Falls	Archer, <i>Clay</i> , Wichita

* Metropolitan Division (MD), a sub-unit of an MSA.

Note: Harrison, Henderson, and Hood Counties are no longer in MSAs. Brazoria and Galveston Counties were previously their own MSAs, but have now been incorporated into the Houston-Baytown-Sugar Land MSA.

Covered Employment and Wages (CE&W) data (industrial job counts by county and industry) under the new definitions in September 2003 with the release of 2002 data. The target date for publishing 2003 1st quarter CE&W data is October 2003.

The same factors that prevent CES data from being published early will also prevent the Local Area Unemployment Statistics (LAUS) data, including unemployment rates, from being published under the new MSA definitions until the release of January 2005 data.

The Labor Market Information Department will continue to publish the Current Employment Statistics (CES) data, or the monthly non-agricultural employment estimates, under the old MSA definitions until the end of 2004. This is due to the sampling methodology used to collect, interpret, and analyze industrial data. Look for the monthly employment estimates to reflect the new MSA definitions with the release of January 2005 data.

Occupational Employment Statistics (OES) wage data (LMI's salary survey of Texas employers) will be available under the new MSA configurations beginning with data published in August 2004.

For additional information on the new MSA definitions, please visit the Bureau of Labor Statistics' website at <http://www.bls.gov/lau/lausmsa.htm>.

New MSA Definitions

