



Regional Economic Accounts Overview

The Bureau of Economic Analysis (BEA) prepares various economic accounts, including the regional economic accounts for the United States. The accounts include estimates of gross domestic product (GDP) by state and of personal income by state and local area. These regional estimates are consistent with those estimates in the Bureau's national economic accounts. BEA also prepares, on a reimbursable basis, regional economic multipliers for other geographies defined by our users.

Gross domestic product (GDP) by state

(formerly known as Gross State Product or GSP)

The Bureau prepares annual estimates of GDP by industry for all states and the District of Columbia. The GDP-by-state estimate is the state counterpart of the nation's GDP — the Bureau's featured and most comprehensive measure of U.S. economic activity and production. The GDP-by-state estimates are used widely by both public and private sectors for various administrative purposes or for studying economic trends in states and regions.

An industry estimate of GDP by state, or its "value added," is calculated as the sum of incomes earned by labor and capital and the costs incurred in the production of goods and services. The annual series consist of estimates for North American Industry Classification (NAICS-based) industries, starting with 1997, and for Standard Industrial Classification (SIC-based) industries for 1963-1997. For each industry, current-dollar GDP by state is composed of three components: Compensation of employees, taxes on production and imports less subsidies, and gross operating surplus.

GDP by metropolitan area

The Bureau prepares annual estimates of GDP by metropolitan area for 363 metropolitan statistical areas. GDP by metropolitan

area is the local counterpart of the nation's GDP — the Bureau's featured and most comprehensive measure of U.S. economic activity and production. The GDP-by-metropolitan-area estimates are expected to be used widely by both public and private sectors for various administrative purposes or for studying economic trends in metropolitan areas.

Conceptually, an industry estimate of GDP by metropolitan area, or its "value added," is the sum of incomes earned by labor and capital and the costs incurred in the production of goods and services. The annual series consist of estimates for North American Industry Classification (NAICS-based) industries, beginning with 2001. The GDP-by-metropolitan-area estimates are computed by applying the state ratio of GDP to earnings by place of work to local estimates of earnings by place of work.

State personal income

BEA's annual and quarterly estimates of state personal income are detailed, timely, and comprehensive economic time series that provide a framework for analyzing individual state economies, and that show how state economies compare with each other. These estimates are widely used by government officials and the private sector to study economic trends for states and regions and to track the levels and the types of incomes that are received by the people who live or work in a state.

The personal income of a state is the income received by, or on behalf of, the residents of the state. Estimates of compensation and of earnings by place of work indicate the economic activity of business and government within the state, and estimates of personal income by place of residence provide a measure of fiscal capacity of the state. BEA's annual estimates of per capita personal income are an indicator of the economic wellbeing of the residents of a state.

Local area personal income

BEA's annual estimates of personal income for local areas provide the only detailed, broadly inclusive economic time series for local areas that are available. These estimates are used by state and local governments for economic planning and by businesses to evaluate marketing strategies.

The personal income of a local area is the income received by, or on behalf of, the residents of the area. BEA prepares estimates for 3,111 counties, 363 metropolitan statistical areas, 576 micropolitan statistical areas, 123 combined statistical areas, 29 metropolitan divisions, and 179 BEA economic areas. The estimates of compensation and earnings by place of work indicate the economic activity of business and government within an area and the estimates of personal income by place of residence provide a measure of fiscal capacity of an area. BEA's estimates of per capita personal income are used as an indicator of the economic wellbeing of the residents of an area.

Regional economic multipliers

BEA will prepare estimates of economic multipliers for any state or county or combination thereof on a reimbursable basis. The multipliers estimate the effects of the changes in the output of one or more industries in an area on the output, employment, and labor earnings in the other industries in that area. For example, these multipliers can be used by government officials to gauge the potential impact of closing a defense facility or of opening of a new airport.

The regional multipliers are derived using the regional input-output modeling system and are based on estimates of local area personal income and on the national input-output accounts. Users may now order and retrieve the multipliers via our Web-based ordering system.

For more information about BEA's regional estimates or other economic accounts, go to our Web site at <www.bea.gov>.

SELECTED REGIONAL ESTIMATES

