

Taking Account...

Metro Area Disposable Personal Income, 2001–2004

While the Bureau of Economic Analysis (BEA) provides annual statistics on disposable personal income (DPI) for states, it does not provide DPI statistics for metropolitan areas on a regular basis because of the absence of regular estimates of personal taxes for metropolitan areas. (DPI is calculated as personal income less personal current taxes.)

Over the years, users of BEA regional data have voiced a need for metropolitan area DPI statistics. To that end, the BEA regional program developed a methodology to calculate DPI for metropolitan areas. In a recent working paper, BEA economist Ann E. Dunbar used this methodology to revise DPI statistics for the 363 metropolitan statistical areas for 2001–2004.

The basic methodology is as follows: because the basic units of metro areas are counties, county-level taxes by type of tax are estimated, allocated to state personal tax totals, and then summed to derive estimates for specific metro areas. Federal individual income taxes account for the majority of personal taxes (76 percent). Other personal tax types include state and local personal income taxes, motor vehicle taxes paid by persons, motor vehicle operator licenses, and other miscellaneous taxes. Personal current taxes do not include the real property taxes paid on owner-occupied homes.

According to the study, per capita personal taxes in the

United States were \$3,559 in 2004. (Per capita disposable personal income was \$29,530.)

Per capita taxes in 2004 ranged from a high of \$13,104 in Bridgeport, Stamford, and Norwalk, CT (Fairfield County) to a low of \$897 in McAllen, Edinburg, and Mission, TX (Hidalgo County).

BEA plans to update these statistics as critical source data, notably estimates on taxes by zip code, become available. Also, BEA plans to explore techniques to produce current estimates of metro area taxes. The lag on the Internal Revenue Service data is 2 years.

The working paper is available on the BEA Web site at www.bea.gov/papers/working_papers.htm.

BEA NIPA Handbook Now Available on Web site

BEA has released a new handbook, *Concepts and Methods of the U.S. National Income and Product Accounts*, on its Web site. The initial release includes the first four introductory chapters. Subsequent chapters will be released in the near future.

The introductory chapters describe the main concepts, definitions, classifications, and accounting issues that underlie the national income and product accounts (NIPAs). These chapters also describe the general sources and methods that are used to prepare the NIPA estimates.

Subsequent chapters will describe the sources and methods that are used to prepare the expenditure and income compo-

nents of the accounts.

This handbook is intended to be a living document that will be updated to reflect changes as they are introduced into the NIPAs. It is available on the BEA Web site at www.bea.gov/national/pdf/NIPAhandbookch1-4.pdf.

The NIPA handbook is one of several BEA methodological references that explain key concepts and methods of BEA's national, regional, industry, and international accounts.

These references can be accessed at www.bea.gov/methodologies/index.htm.

Budget Impact on Regional Statistical Programs

The recently passed Consolidated Appropriations Act did not provide full funding for BEA's base programs for fiscal year 2008. In order to align base programs with the budget, BEA will reduce various statistical programs.

Some regional programs will be affected. While BEA does not foresee any impact on its GDP-by-state or state personal income programs, other programs will be affected, including BEA's local area personal income, GDP-by-metropolitan-area, and RIMS economic multiplier statistics.

For more information, please see www.bea.gov/regional/pdf/08_budget_impact_web.pdf.

For more about BEA programs in general, please visit www.bea.gov/agency/availability_and_quality_of_data.htm.