



Local Area Personal Income

The Bureau of Economic Analysis prepares annual estimates of personal income for local areas (counties, metropolitan areas, and the Bureau's BEA economic areas). Local area personal income is the only detailed, broadly inclusive economic time series for local areas that is available annually. Estimates of compensation (wages and salaries plus supplements to wages) and earnings (compensation plus proprietors' income) by place of work indicate economic activity of establishments within the local area. Estimates of personal income by place of residence provide a measure of fiscal capacity. Annual estimates of per capita personal income are an indicator of economic well-being of the residents of an area.

The personal income of an area is the income that is received by, or on behalf of, the residents of that area. For both the national and regional accounts, personal income is defined as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

Presentation of Local Area Personal Income Accounts

Local area personal income estimates are presented in several tables which include annual estimates of total personal income, per capita personal income, personal income summary statistics, earnings by NAICS subsector industries, compensation by NAICS subsector industries, employment by NAICS sectors, personal current transfer receipts by major program, farm gross income and expenses by major category, and regional econom-

ic profiles. In addition, 1-page narratives containing information on current estimates of personal income, growth rates, and a breakdown of the sources of personal income are available for each county, metropolitan area, and BEA economic area.

The Bureau prepares regular analyses of the local area personal income estimates that accompany the release of new estimates and also periodically prepares and releases special data analyses on topics of particular interest. For example, special analyses have been used to define, and redefine as necessary, the geographic boundaries of the BEA economic areas.

Availability

Estimates of total and per capita personal income, beginning with 1969, are available for each of the 3,111 counties and county equivalents, 363 metropolitan statistical areas, 576 metropolitan statistical areas, 123 combined statistical areas, 29 metropolitan divisions, and the 179 BEA economic areas. Accelerated estimates of metropolitan area personal income and compensation by NAICS sector are available nine months after the end of the year. Estimates of total wages and salaries and of compensation by industry for all local areas are released 12 months after the end of the year. Estimates of personal income and the derivation of personal income for all local areas are released 16 months after the end of the year.

Uses of the local area personal income estimates

The local area estimates of personal income and its components, of per capita personal income, and of employment are widely used by both the public and the private sectors to mea-

sure and to track the levels and the types of incomes that are received by the people who live or work in a county, metropolitan area, or BEA economic area. These estimates provide a framework for the analysis of each area's economy, and they serve as a basis for decision making. For example:

- Federal Government agencies use the estimates in econometric models, such as those used to project energy and water use.
- State governments use the estimates to measure the economic base of state planning areas. State and local governments also use the estimates in econometric models to project tax revenues and the need for public utilities and services.
- Academic researchers use the estimates for applied economic research.
- Businesses, trade associations, and labor organizations use the estimates for market research.
- The public and private sectors both use the estimates to prepare environmental impact statements required by the National Environmental Policy Act of 1969.

For more information

The annual local area personal income estimates, as well as

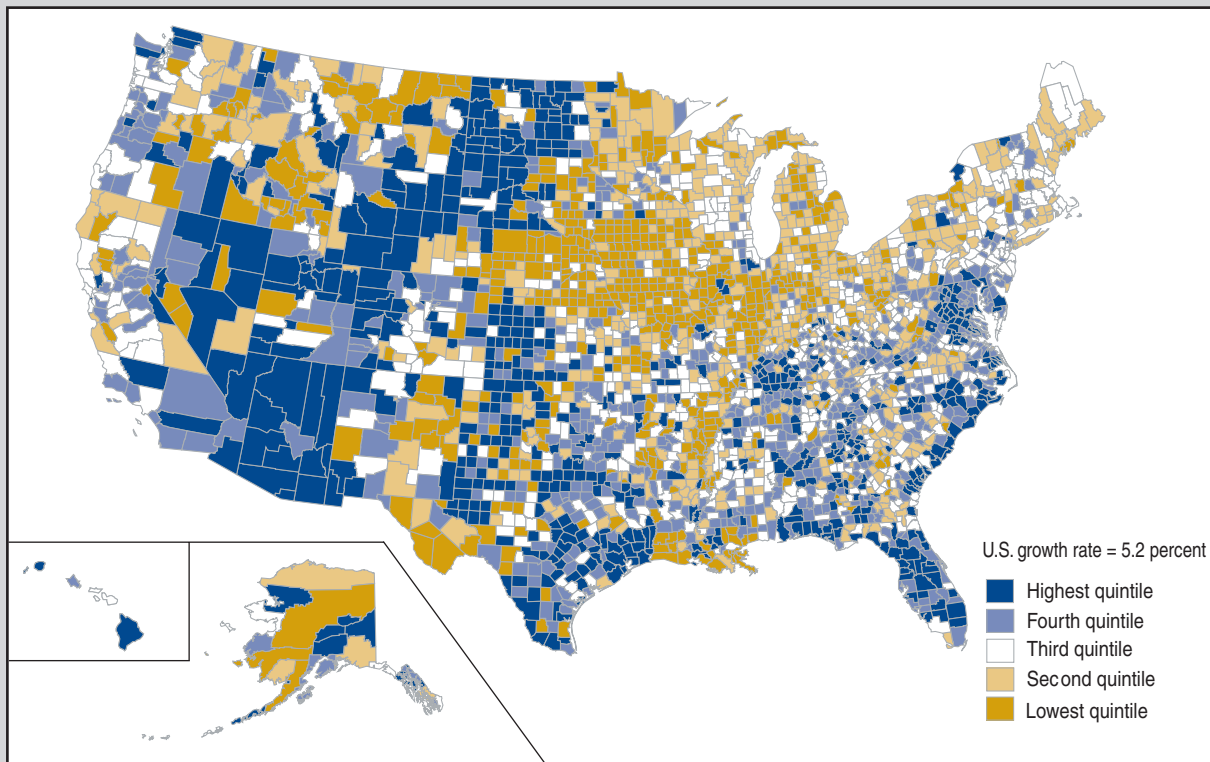
regular and special analyses of the estimates, are published in the *Survey of Current Business*, the monthly journal of the Bureau. Examples of articles involving detailed analyses include:

- "Local Area Personal Income for 2002-2004" by David G. Lenze in the May 2006 *Survey*.
- "2004 Redefinition of the BEA Economic Areas" by Kenneth P. Johnson and John R. Kort in the November 2004 *Survey*.

Survey articles for recent years and a statement of the sources and methods used to produce the estimates are available on our Web site at <<http://www.bea.gov/regional/articles.cfm>>. In addition, the estimates are available in an interactively accessible database, and the estimates and the statement of the sources and methods used to produce them are provided in downloadable files on our Web site. The entire database and statement of the sources and methods used to produce the estimates are also presented annually on the "Regional Economic Information System" (REIS) DVD.

Call the Regional Economic Information System (REIS) staff at 202-606-5360, or e-mail <reis.rem@bea.gov>. To order a free copy of the REIS DVD-ROM, call our Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

Personal income growth rates across 3111 counties, 2004-05



U.S. Bureau of Economic Analysis