

*The following is a reprint of a set of fliers that presents an overview of the principal statistics prepared by BEA's regional economics program.*



## BEA's Regional Accounts

**T**he Bureau of Economic Analysis prepares regional economic accounts for the United States. These accounts consist of estimates of State and local area personal income and of gross state product; these estimates are consistent with estimates of personal income and gross domestic product in the Bureau's national economic accounts. BEA also prepares, on a reimbursable basis, regional economic multipliers for areas specified by users.

### State personal income

BEA's annual and quarterly estimates of State personal income provide a framework for analyzing individual State economies, and they show how State economies compare with each other. These estimates are widely used by government officials and private citizens to track the levels and 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 labor and proprietors' 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 indicate the income within a State that is available for spending. BEA's annual estimates of per capita personal income are an indicator of the economic well-being of the residents of a State.

### Local area personal income

BEA's annual estimates of personal income for local areas provide the most detailed economic pictures of 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 3,110 counties, 335 metropolitan areas, and 172 BEA economic areas. The esti-

mates include labor and proprietors' earnings by place of work that indicate the economic activity of business and government within an area and personal income by place of residence that indicates the income within an area that is available for spending. BEA's estimates of per capita personal income are an indicator of the economic well-being of the residents of an area.

### Gross state product

BEA's annual estimates of gross state product (GSP) measure the value added to the Nation's production by the labor and property in each State. GSP is often considered the State counterpart of the Nation's GDP. The GSP estimates provide the basis for analyzing the regional impacts of national economic trends.

GSP is measured as the sum of the distributions by industry and State of the components of gross domestic income—that is, the sum of the costs incurred and incomes earned in the production of GDP. The GSP estimates are presented in current dollars and in real (chained dollars) for 63 industries.

### 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.

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.

For more information about BEA's regional estimates, go to our Web site at <[www.bea.gov](http://www.bea.gov)>.

## State Personal Income

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**T**he Bureau of Economic Analysis prepares estimates of State personal income. The personal income of a State is the income that is received by, or on behalf of, the residents of that State. Personal income consists of the income that is received by persons from participation in production, from government and business transfer payments, and from government interest.

The State personal income accounts are detailed, comprehensive economic time series that provide comparisons among States and among industries within a State. Estimates of labor and proprietors' earnings by place of work indicate economic activity of establishments within the State, and estimates of personal income by place of residence indicate current income within a State that is available for spending. Annual estimates of per capita personal income are an indicator of economic well-being of the residents of a State.

The Bureau prepares quarterly estimates of State personal income and its components, beginning with 1948. The estimates for a quarter are released 4 months after the end of the quarter and are consistent with the quarterly estimates of personal income in the national accounts. Preliminary annual estimates of State personal income are derived as the average of the quarterly estimates for the year and are prepared 4 months after the end of the year. Quarterly State personal income estimates are presented in two tables—the derivation of personal income, including earnings for 14 major industries, and wage and salary disbursements by major industry.

Annual State personal income estimates are presented in six tables—the derivation of personal income, including per capita personal income and earnings for 77 industries; wage and salary disbursements by industry; transfer payments by major program; the derivation of farm proprietors' income; disposable personal income and tax and nontax pay-

ments by government; and State economic profiles. These estimates, which are derived from more detailed and complete source data than the preliminary annual estimates are available 9 months after the end of the year. The annual State personal income estimates begin with 1929. In addition, annual State employment estimates are presented in two tables—total full and part-time employment by industry, and wage and salary employment by industry.

The Bureau prepares regular analyses of the State personal income estimates that accompany the release of new estimates, and it also periodically prepares and releases special data analyses dealing with topics of particular interest.

### Uses of the State personal income estimates

The State personal income estimates are used widely in the public and private sectors to study economic trends for States and regions and to measure and track the levels and the types of incomes that are received by the people who live or work in a State. These estimates provide a framework for the analysis of each State's economy, and they serve as a basis for decision making. For example:

- Federal Government agencies use the estimates as a basis for allocating funds and determining matching grants. They also use the estimates in econometric models, such as those used to project energy and water use.
- State governments use the estimates in econometric models to project tax revenues and the need for public services. Many States have set constitutional or statutory limits on State government revenues and spending that are tied to State personal income or to one of its components.
- Academic researchers use the estimates for theoretical and applied economic research.
- Businesses, trade associations, and labor organizations use the estimates for market research.

### Availability

The quarterly and annual State 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:

- “Convergence in State Per Capita Personal Income, 1950–99,” by G. Andrew Bernat, Jr. in the June 2001 SURVEY
- “Comprehensive Revision of State Personal Income: Revised Estimates 1969–98 and Preliminary Estimates for 1999,” by Robert L. Brown, et. al., in the June 2000 SURVEY
- “Industrial Composition of State Earnings in 1958–98,” by G. Andrew Bernat, Jr. and Eric S. Repice in

the February 2000 SURVEY

SURVEY articles for recent years are available on our Web site at <[www.bea.gov](http://www.bea.gov)>. In addition, the estimates are available in an interactively accessible database and in downloadable files on our Web site. The entire database and a statement of the sources and methods used to produce the estimates are also presented on the State Personal Income CD-ROM.

### For more information

Call the Regional Economic Information System (REIS) staff at 202–606–5360, or e-mail <[reis.remd@bea.gov](mailto:reis.remd@bea.gov)>. To purchase the State Personal Income CD-ROM, call our Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666).

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## Local Area Personal Income

**T**he Bureau of Economic Analysis prepares estimates of personal income for local areas (counties, metropolitan areas, and the Bureau's BEA economic areas). The personal income of an area is the income that is received by, or on behalf of, the residents of that area. Personal income consists of the income that is received by persons from participation in production, from government and business transfer payments, and from government interest.

Local area personal income is the only detailed, broadly inclusive economic time series for local areas that is available annually. Estimates of labor and proprietors' earnings by place of work indicate economic activity of establishments in an area, and estimates of personal income by place of residence indicate income within an area that is available for spending. Annual estimates of per capita personal income are an indicator of economic well-being of the residents of an area.

Estimates of total and per capita personal income, beginning with 1969, are available for each of the 3,110 counties and county equivalents, the 335 metropolitan areas, and the 172 BEA economic areas in the United States. Estimates are released 17 months after the end of the year. Annual estimates for areas of earnings for 77 industries, employment for 14 major industries, transfer payments by major program, farm gross income and expenses by major category, and economic profiles are also available. 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 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.

### 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 measure 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 for services.
- Academic researchers use the estimates for theoretical and 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.

### Availability

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, 1998–2000," by Jeffrey L. Newman in the May 2002 *SURVEY*
- "Comprehensive Revision of Local Area Personal Income: Revised Estimates for 1969–97 and New Estimates for 1998," by Jeffrey L. Newman, et. al., in the July 2000 *SURVEY*

- “Manufacturing Earnings in BEA Component Economic Areas, 1996,” by G. Andrew Bernat, Jr. in the November 1998 SURVEY
- “Redefinition of the BEA Economic Areas,” by Kenneth P. Johnson in the February 1995 SURVEY

SURVEY articles for recent years are available on our Web site at <[www.bea.gov](http://www.bea.gov)>. In addition, the estimates and methodology are available in an interactively accessible database and in downloadable files on our Web site. The entire database and statement of the

sources and methods used to produce the estimates are presented annually on the “Regional Economic Information System” (REIS) CD-ROM.

### **For more information**

Call the Regional Economic Information System (REIS) staff at 202-606-5360, or e-mail <[reis.remd@bea.gov](mailto:reis.remd@bea.gov)>. To purchase the REIS CD-ROM, call our Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).

Table 1. Personal Income and Per Capita Personal Income by Metropolitan Area, 1998-2000

Table with columns for Area name, Personal income (Millions of dollars, Percent change, Dollars, Rank in U.S.), and Per capita personal income (Dollars, Rank in U.S.). It lists numerous metropolitan areas and their corresponding income data for 1998, 1999, and 2000.

See footnotes at the end of table.





## Gross State Product

**T**he Bureau of Economic Analysis prepares annual estimates of gross state product (GSP) for all States and the District of Columbia. GSP is often considered the State counterpart of the Nation's gross domestic product (GDP), the Bureau's featured and most comprehensive measure of U.S. economic activity. GSP is the value added in production by the labor and property located in a State. In concept, it is the "value added" of all industries in a State and is equivalent to their gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus their intermediate inputs (consumption of goods and services purchased from other United States industries or imported). In practice, GSP estimates are measured as the sum of the distributions by industry and State of the components of gross domestic income—that is, the sum of the costs incurred and incomes earned in the production of GDP.

The Bureau prepares GSP estimates in millions of current and chained dollars by State for 63 industries, beginning with 1977 (table 1). For each industry, current-dollar GSP is composed of three components: Compensation of employees, indirect business tax and nontax liability, and property-type income.

GSP estimates are released 17 months after the end of the year and 6 months after the annual release of GDP by industry for the United States. The Bureau prepares regular analyses of the GSP estimates that accompany the release of new estimates.

### Uses of the gross state product estimates

The GSP estimates are used widely in the public and private sectors to study economic trends for States and regions and are used by the Federal and State governments for a variety of administrative purposes. For

example:

- Federal Government agencies use the estimates as a basis for allocating funds and determining matching grants. They also use the estimates in econometric models, such as those used to project energy and water use.
- State governments use the estimates in econometric models to project tax revenues and the need for public services.
- Academic researchers use the estimates for theoretical and applied economic research.
- Businesses, trade associations, and labor organizations use the estimates for market research.

### Availability

The annual GSP estimates and analyses of the estimates are published in the *SURVEY OF CURRENT BUSINESS*, the monthly journal of the Bureau. Examples of articles include:

- "Gross State Product by Industry, 1998–2000," by Sharon D. Panek and George K. Downey in the June 2002 *SURVEY*
- "Gross State Product by Industry, 1977–98," by Richard M. Beemiller and Clifford H. Woodruff III in the October 2000 *SURVEY*
- "Comprehensive Revision of Gross State Product by Industry, 1977–94," by Howard L. Friedenber and Richard M. Beemiller in the June 1997 *SURVEY*

*SURVEY* articles for recent years are available on our Web site at <[www.bea.gov](http://www.bea.gov)>. The estimates are available on our Web site in free, interactively accessible files.

### For more information

Call the Gross State Product by Industry staff at 202–606–5340, or e-mail <[gspread@bea.gov](mailto:gspread@bea.gov)>.

**Table 1. Industries for Which Gross State Product Estimates Are Available**

	1987 SIC code		1987 SIC code
<b>Private industries</b> .....		Local and interurban passenger transit .....	41
		Trucking and warehousing.....	42
<b>Agriculture, forestry, and fishing</b> .....	<b>A</b>	Water transportation.....	44
Farms .....	01-02	Transportation by air.....	45
Agricultural services, forestry, and fishing.....	07-09	Pipelines, except natural gas .....	46
		Transportation services .....	47
<b>Mining</b> .....	<b>B</b>	Communications.....	48
Metal mining.....	10	Electric, gas, and sanitary services .....	49
Coal mining .....	12		
Oil and gas extraction.....	13	<b>Wholesale trade</b> .....	<b>F</b>
Nonmetallic minerals, except fuels .....	14		
		<b>Retail trade</b> .....	<b>G</b>
<b>Construction</b> .....	<b>C</b>		
		<b>Finance, insurance, and real estate</b> .....	<b>H</b>
<b>Manufacturing</b> .....	<b>D</b>	Depository institutions .....	60
Durable goods.....		Nondepository institutions.....	61
Lumber and wood products.....	24	Security and commodity brokers .....	62
Furniture and fixtures.....	25	Insurance carriers .....	63
Stone, clay, and glass products .....	32	Insurance agents, brokers, and service.....	64
Primary metal industries.....	33	Real estate.....	65
Fabricated metal products.....	34	Holding and other investment offices.....	67
Industrial machinery and equipment.....	35		
Electronic and other electric equipment.....	36	<b>Services</b> .....	<b>I</b>
Motor vehicles and equipment.....	371	Hotels and other lodging places.....	70
Other transportation equipment.....	372-79	Personal services.....	72
Instruments and related products.....	38	Business services.....	73
Miscellaneous manufacturing industries.....	39	Auto repair, services, and parking .....	75
		Miscellaneous repair services .....	76
Nondurable goods.....		Motion pictures .....	78
Food and kindred products .....	20	Amusement and recreation services .....	79
Tobacco products.....	21	Health services.....	80
Textile mill products.....	22	Legal services.....	81
Apparel and other textile products.....	23	Educational services.....	82
Paper and allied products .....	26	Social services .....	83
Printing and publishing.....	27	Membership organizations.....	86
Chemicals and allied products .....	28	Other services .....	84,87,89
Petroleum and coal products.....	29	Private households.....	88
Rubber and miscellaneous plastics products.....	30		
Leather and leather products .....	31	<b>Government</b> .....	<b>J</b>
		Federal civilian.....	91-96
<b>Transportation and public utilities</b> .....	<b>E</b>	Federal military.....	97
Transportation .....		State and local.....	91-96
Railroad transportation .....	40		

NOTE. The tables of gross domestic product (GDP) by industry for the Nation that were published in the November 2001 SURVEY OF CURRENT BUSINESS present estimates for all of the industries shown in this table except Federal civilian and Federal military. In addition, the GDP by industry tables present estimates for the following industries: Telephone and telegraph; radio and television; nonfarm housing services; other real estate; Federal general government; Federal government enterprises; State and local general government; and State and local

government enterprises.  
SIC Standard Industrial Classification. See Executive Office of the President, Office of Management and Budget, *Standard Industrial Classification Manual 1987* (Washington, DC: U.S. Government Printing Office, 1987).

## Regional Economic Multipliers

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**T**he Bureau of Economic Analysis prepares, on a reimbursable basis, estimates of economic multipliers for States, counties, and combinations thereof. 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. The multipliers are produced by BEA's Regional Input-Output Modeling System (RIMS II) using data on the local area personal income and the national input-output accounts. RIMS multipliers can be used to estimate not only total regional impacts but also the impacts on each of 38 industry aggregations (table 1).

### Uses of the regional economic multipliers

The regional economic multipliers are widely used by both the public and private sectors to study economic impacts. For example:

- Several Federal Government agencies use the regional economic multipliers to study the local impact of government regulations on specific industries (EPA) and to assess the local economic impacts of Federal actions such as military base closings (DOD).
- State and local governments use the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as firms locating within their State, or to assess the impacts of tourism.
- Businesses and private consultants use the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters,

such as Hurricane Andrew; or of special events, such as the 1996 Summer Olympics in Atlanta.

### Information required from users

To effectively use the RIMS II multipliers for impact analyses, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with the project or special event under study. To provide this information, the user must answer five questions about the projects or event:

- What is the affected region?
- Which industries are initially affected?
- Is there more than one phase of the project or program?
- What are the initial changes in output, earnings, or employment?
- Should the initial changes be separated into production costs, transportation costs, and trade margins?

### Availability

A more detailed description of the regional economic multipliers is available in *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, Third Edition (Washington DC: U.S. Government Printing Office, 1997). A version of this publication and other information about the multipliers are available on our Web site at <[www.bea.gov](http://www.bea.gov)>.

### For more information

Call the Regional Input-Output Modeling System (RIMS) staff at 202-606-5343, or e-mail <[rimsread@bea.gov](mailto:rimsread@bea.gov)>.

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Table 1. RIMS II Industry Aggregations

Number	RIMS Industries	Input-Output Industries Included in Aggregation
	<b>Farm and agricultural services, forestry, and fishing:</b>	
1	Farm products and agricultural, forestry, and fishing services .....	1.0100-2.0702, 4.0001-4.0002
2	Forestry and fishing products .....	3.0001-3.0002
	<b>Mining:</b>	
3	Coal mining .....	7.0000
4	Oil and gas extraction .....	8.0001
5	Metal mining and nonmetallic minerals, except fuels .....	5.0001-6.0200, 9.0001-10.0000
	<b>Construction:</b>	
6	Construction .....	11.0101-12.0300
	<b>Manufacturing:</b>	
7	Food and kindred products and tobacco products .....	14.0101-15.0200
8	Textile mill products .....	16.0100-18.0300
9	Apparel and other textile products .....	18.0400-19.0306
10	Paper and allied products .....	24.0100-25.0000
11	Printing and publishing .....	26.0100-26.0806
12	Chemicals and allied products and petroleum and coal products .....	27.0100-31.0300
13	Rubber and miscellaneous plastic products and leather and leather products .....	32.0100-34.0305
14	Lumber and wood products and furniture and fixtures .....	20.0100-23.0700
15	Stone, clay, and glass products .....	35.0100-36.2200
16	Primary metal industries .....	37.0101-38.1400
17	Fabricated metal products .....	13.0200, 13.0500-13.0700, 39.0100-42.1100
18	Industrial machinery and equipment .....	43.0100-52.0500
19	Electronic and other electric equipment .....	53.0200-58.0700
20	Motor vehicles and equipment .....	59.0100-59.0302
21	Other transportation equipment .....	13.0100, 13.0300, 60.0100-61.0700
22	Instruments and related products .....	62.0101-63.0300
23	Miscellaneous manufacturing industries .....	64.0101-64.1200
	<b>Transportation and public utilities: 1</b>	
24	Transportation .....	65.0100-65.0702, 78.0100
25	Communications .....	66.0100-67.0000
26	Electric, gas, and sanitary services .....	68.0100-68.0302, 78.0200
	<b>Wholesale and retail trade:</b>	
27	Wholesale trade .....	69.0100
28	Retail trade .....	69.0200
	<b>Finance, insurance, and real estate:</b>	
29	Depository and nondepository institutions and security and commodity brokers .....	70.0100-70.0300
30	Insurance .....	70.0400-70.0500
31	Real estate .....	71.0100-71.0202
	<b>Services:</b>	
32	Hotels and other lodging places, amusement and recreation services, and motion pictures .....	72.0101-72.0102, 76.0101-76.0206
33	Personal services .....	72.0201-72.0300
34	Business services .....	73.0101-73.0303
35	Eating and drinking places .....	74.0000
36	Health services .....	77.0100-77.0305
37	Miscellaneous services .....	75.0001-75.0003, 77.0401-77.0900, 78.0500-79.0000
	<b>Households:</b>	
38	Households .....	91.0000

1. Includes Federal government enterprises.