

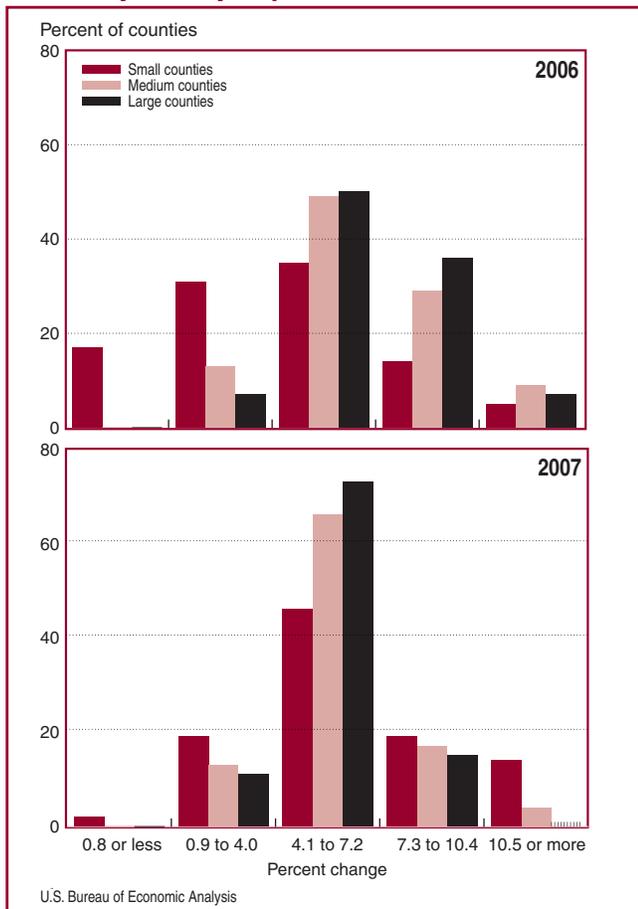
Local Area Personal Income for 2007

By David G. Lenze

PERSONAL income growth, averaged over all counties, accelerated to 7.2 percent in 2007 from 5.4 percent in 2006.¹ However, when weighted by county population, average personal income growth slowed to 6.0 percent from 7.1 percent. The contrary movements of these two measures reflects (1) an acceleration in the growth rates of small counties (popula-

1. BEA reported on the initial release of county estimates in an article on county compensation by industry for 2005–2007. See “Quarterly Regional Report,” SURVEY OF CURRENT BUSINESS 89 (January 2009): 70. This article is based on the April 23, 2009, release of personal income and its components for counties.

Chart 1. Growth Distribution of County Personal Income by County Population

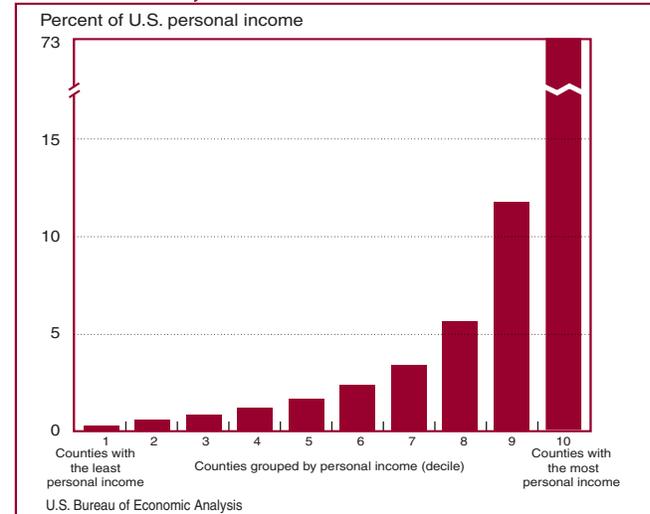


tion less than 100,000 in 2005), which account for 82 percent of all counties, and (2) a deceleration in the growth rates of larger counties, which account for almost all of the nation’s personal income (chart 1).

In the 2,553 small counties, personal income growth accelerated to 7.5 percent in 2007 from 5.0 percent in 2006. In the 317 counties with populations from 100,000 to 250,000, growth decelerated to 6.1 percent from 7.0 percent. And in the 241 counties with populations of 250,000 or more, growth decelerated to 5.9 percent from 7.7 percent.

Personal income is highly concentrated in relatively few counties (chart 2). The 311 counties with the highest levels of personal income (the top 10 percent of counties in the United States) accounted for 73 percent of the nation’s personal income in 2007. The smallest of these counties had a population of 129,000. In fact, personal income is more highly concentrated than either population or wage and salary employment when they are similarly sorted; only 66 percent of the nation’s population and 71 percent of the nation’s jobs are in the top 10 percent of counties.

Chart 2. Personal Income Shares by County Income Decile, 2007



The relative concentrations of income, population, and employment reflects, among other things, the importance of employment density in production, the effect of congestion on prices and wages, and the location of workers (who must live within commuting distance of their worksites) and retirees (who are not constrained in that fashion).

Clearly, the personal income of a county depends on its population, but the relationship is not strictly proportional (chart 3). Personal income increases slightly faster than population as one moves from the smallest counties to the largest. On average, for every 1 percent increase in population, personal income rises approximately 1.07 percent. As a result, per capita personal income also tends to rise with county population.

Homeowners assistance payments

The 2007 local area personal income estimates include federal payments to rebuild residences as part of prop-

erty income. This affected Louisiana and Mississippi significantly. (See page 40.)

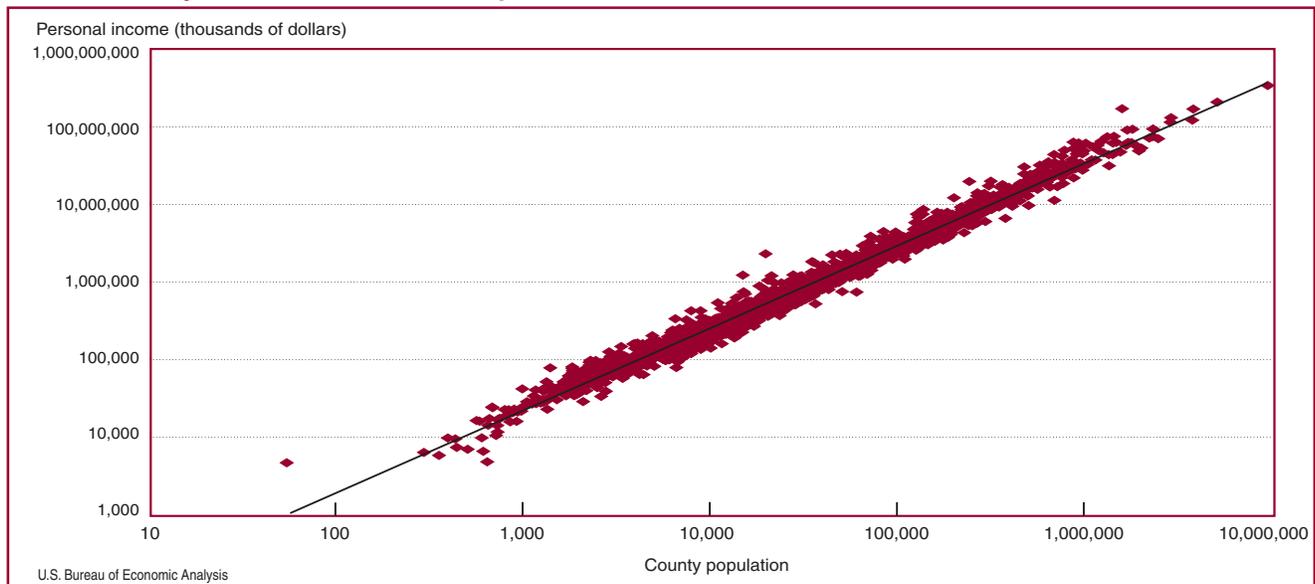
Other measures of employment and wages

Three widely used measures of county employment and wages by place of work are (1) employment and payroll in the County Business Patterns (CBP) series from the Census Bureau, (2) employment and wages from the Quarterly Census of Employment and Wages (QCEW) program from the Bureau of Labor Statistics (BLS), and (3) wage and salary disbursements and employment from the Bureau of Economic Analysis (BEA). (For more information, see page 41.)

Interactive data availability

The information discussed in this article is available interactively at www.bea.gov/regional/reis. Much more regional data is also available. (See the box “Data Availability” on page 42.)

Chart 3. County Personal Income and Population, 2007



Homeowner Assistance Payments

The 2007 local area personal income estimates for Louisiana and Mississippi reflect the receipt of federal payments to rebuild residences destroyed or damaged by Hurricane Katrina in 2005. These payments, arising from homeowner assistance programs initiated at the end of 2006, are counted as part of the property income

component (dividends, interest, and rent) of personal income. The bulk of the payments were received by persons living in counties on or near the coast.

For more details, please see “[Personal income for Metropolitan Areas for 2007](#),” SURVEY OF CURRENT BUSINESS 88, (September 2008): 123–131.

Homeowner Assistance Payments for Selected Counties

Area	Homeowner assistance payments, 2007	Personal income, 2006	Contribution to 2007 personal income growth	Area	Homeowner assistance payments, 2007	Personal income, 2006	Contribution to 2007 personal income growth
	Millions of dollars	Millions of dollars	Percentage points		Millions of dollars	Millions of dollars	Percentage points
Louisiana parishes				Natchitoches	2	1,020	0.2
Acadia	8	1,505	0.6	Orleans	1,734	12,564	13.8
Allen	8	486	1.6	Ouachita	4	4,540	0.1
Ascension	34	3,081	1.1	Plaquemines	76	753	10.1
Assumption	3	674	0.5	Pointe Coupee	6	613	1.0
Avoyelles	5	935	0.6	Rapides	11	4,137	0.3
Beauregard	15	822	1.8	Red River	(*)	209	0.1
Bienville	(*)	345	0.1	Richland	(*)	472	0.1
Bossier	4	3,226	0.1	Sabine	1	524	0.2
Caddo	8	8,829	0.1	St. Bernard	352	916	38.4
Calcasieu	300	5,831	5.2	St. Charles	41	1,674	2.4
Caldwell	(*)	233	(*)	St. Helena	8	279	2.9
Cameron	39	185	21.0	St. James	9	580	1.6
Catahoula	1	230	0.3	St. John the Baptist	43	1,355	3.2
Claiborne	(*)	390	(*)	St. Landry	14	2,243	0.6
Concordia	2	447	0.4	St. Martin	6	1,259	0.5
De Soto	(*)	673	(*)	St. Mary	12	1,690	0.7
East Baton Rouge	146	15,117	1.0	St. Tammany	738	8,493	8.7
East Carroll	(*)	184	0.2	Tangipahoa	69	2,943	2.3
East Feliciana	2	572	0.4	Tensas	1	153	0.6
Evangeline	2	715	0.3	Terrebonne	61	3,413	1.8
Franklin	(*)	444	(*)	Union	(*)	574	0.1
Grant	(*)	450	0.1	Vermilion	55	1,362	4.1
Iberia	30	2,300	1.3	Vernon	3	1,569	0.2
Iberville	6	876	0.7	Washington	32	1,034	3.1
Jackson	(*)	368	(*)	Webster	(*)	1,140	(*)
Jefferson	1,372	16,283	8.4	West Baton Rouge	4	677	0.6
Jefferson Davis	14	758	1.8	West Carroll	(*)	257	(*)
Lafayette	21	7,738	0.3	West Feliciana	1	348	0.4
Lafourche	19	3,100	0.6	Winn	(*)	339	0.1
La Salle	0	335	0.0	Mississippi counties			
Lincoln	2	1,154	0.1	Hancock	401	1,185	33.8
Livingston	28	3,016	0.9	Harrison	492	5,545	8.9
Madison	(*)	237	0.2	Jackson	503	3,746	13.4
Morehouse	(*)	664	0.1	Pearl River	4	1,257	0.3

* Less than \$500,000 or 0.05 percent

NOTE: The contribution of homeowner assistance payments to county personal income growth in 2007 equals the amount of those payments divided by personal income in 2006 times 100.

Alternative Measures of County Employment and Wages

Three widely used measures of county employment and wages by place of work are (1) employment and payroll in the County Business Patterns (CBP) series from the Census Bureau, (2) employment and wages from the Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics (BLS), and (3) wage and salary disbursements and employment from the Bureau of Economic Analysis (BEA). These measures differ in source data and coverage.

The CBP data are derived from Census Bureau business establishment surveys and federal administrative records. The QCEW data are tabulations of monthly employment and quarterly wages of workers who are covered by state unemployment insurance programs or by the unemployment insurance program for federal employees.¹ The BEA estimates of employment and wages are primarily derived from the BLS data; the estimates for industries that are either not covered or not fully covered in the QCEW are also based on supplemental data from other agencies, such as the Department of Defense, the U.S. Department of Agriculture, and the Railroad Retirement Board.

The coverage of the Census Bureau data differs from that of the BLS data primarily because the Census Bureau data exclude most government employees and because the BLS data cover civilian government employees.² The CBP data also exclude several private industries that are partly covered by the QCEW: crop and animal production; rail transportation; insurance and employee benefit funds; trusts, estates, and agency accounts; and private households. However, the CBP data cover the employees of educational institutions, member-

ship organizations, and small nonprofit organizations in other industries more completely than the BLS data.³ In addition, the Census Bureau reports employment only for the month of March; the BLS employment data are quarterly and annual averages of monthly data.

In 2001, both BLS and BEA began to include employees of Indian tribal councils in local government. These employees were previously included in the relevant private industries.⁴ In the Census Bureau data, these employees are still classified in private industries.

BEA estimates of employment and wages differ from the BLS data because BEA adjusts the estimates to account for employment and wages that are not covered or that are not fully covered by the unemployment insurance programs. BEA adds estimates of employment and wages to the BLS data to bridge small gaps in coverage for nonprofit organizations that do not participate in the unemployment insurance program (in several industries), for students and their spouses employed by colleges or universities, for elected officials and members of the judiciary, for interns employed by hospitals and by social service agencies, and for insurance agents classified as statutory employees. In addition, BEA uses supplemental source data to estimate most, or all, of the employment and wages for the following: farms, farm labor contractors and crew leaders, private households, private elementary and secondary schools, religious membership organizations, rail transportation, military, and U.S. residents who are employed by international organizations and by foreign embassies and consulates in the United States. BEA also adjusts for employment and wages subject to unemployment insurance, but not reported by employers. Other adjustments to wages include estimates for unreported tips, judicial fees paid to jurors and witnesses, compensation of prison inmates, and marriage and license fees paid to justices of the peace.⁵

The Census Bureau released 2006 data for total employment and payrolls for counties on June 27, 2008; go to www.census.gov/epcd/cbp/view/cbpview.html. BLS released county data on total employment and average weekly pay for the fourth quarter of 2007 on July 24, 2008; go to www.bls.gov/cew; annual QCEW data for 2007 are also available. BEA released preliminary estimates of total wage employment and total wage and salary disbursements for counties for 2007 and revised estimates for 2005–2006 on December 22, 2008. To access the data, go to www.bea.gov/regional/reis.

1. The QCEW data account for 95 percent of BEA's wages and salaries.
 2. The Census Bureau data cover only those government employees who work in government hospitals, federally chartered savings institutions and credit unions, liquor stores, and wholesale liquor establishments, and university publishers. The BLS data in most states exclude state and local elected officials, members of the judiciary, state national and air national guardsmen, temporary emergency employees, and employees in policy and advisory positions.

National Estimates of Wages and Salaries in the BEA County Estimates and Payrolls and Wages From the Census Bureau and BLS

[Billions of dollars]

	2005	2006	2007
Total payroll, Census Bureau.....	4,483.0	4,792.0	n.a.
Plus: Differences in coverage:			
Civilian government wages, BLS ¹	863.6	903.3	n.a.
Other differences, net ²	5.3	-2.7	n.a.
Equals: Total wages, BLS.....	5,351.9	5,692.6	6,018.1
Plus: Adjustments by BEA:			
For unreported wages and unreported tips on employment tax returns	120.7	126.0	129.0
For wages and salaries not covered or not fully covered by unemployment insurance:			
Private.....	97.7	105.5	109.7
Government.....	92.6	96.1	99.2
Other adjustments ³	2.5	0.6	-0.3
Equals: Wage and salary disbursements, BEA ⁴	5,665.4	6,020.8	6,355.8

1. BLS wages were adjusted to remove the wages of Indian tribal councils because these data were already included in the Census Bureau's total payroll data.
 2. Includes differences of coverage in private education, membership organizations, and government.
 3. Consists of adjustments to the wage and salary estimates to: remove employees of U.S. companies stationed overseas; to add U.S. residents who are employed by international organizations and by foreign embassies and consulates in the United States; and to reflect updates to published Quarterly Census of Employment and Wages data.
 4. The national total of county estimates of wage and salary disbursements consists of the earnings of persons who live in the United States and of foreign residents working in the United States. The BEA regional total differs from BEA's national estimate of wage and salary disbursements because National Income and Product Account income includes the earnings of Federal civilian and military personnel stationed abroad and U.S. citizens on foreign assignments for less than a year. Unlike the regional estimates, the national estimate only includes the earnings of foreign nationals if they live and work in the U.S. for a year or more.
 NOTE: Details may not equal totals due to rounding.
 n.a. Not available

3. The BLS data do not cover certain religious elementary and secondary schools, because a Supreme Court decision exempts some of these schools from unemployment compensation taxes. The BLS data also exclude college students (and their spouses) who are employed by the school in which they are enrolled and student nurses and interns who are employed by hospitals as part of their training. In half of the states, the BLS data only include nonprofit organizations with four or more employees during 20 weeks in a calendar year.

4. For example, employees of casinos owned by tribal councils were included in the North American Industry Classification System subsector "Amusement, Gambling, and Recreation Industries."

5. For a detailed description of the sources and methods used to prepare the estimates, go to www.bea.gov/regional/docs/lapi2007.

Additional Information

Data Availability

This article presents summary estimates of personal income and per capita personal income for 2005–2007. More detailed estimates for 1969–2007 are also available.

The following annual estimates for counties, metropolitan statistical areas, micropolitan statistical areas, metropolitan divisions, combined statistical areas, and BEA economic areas are available at www.bea.gov/regional/reis:

- Personal income, per capita personal income, and population for 1969–2007
- County income and employment summary (featuring the derivation of personal income including nonfarm personal income, and employment totals for a continuous time series), 1969–2007
- Compensation of employees by industry by North American Industry Classification System (NAICS) subsectors for 2001–2007 and by Standard Industrial Classification System (SIC) two-digit industries for 1998–2000
- Personal income by major source and earnings by NAICS subsectors for 2001–2007 and by SIC two-digit industries for 1969–2000
- Full-time and part-time employment by NAICS sectors for 2001–2007 and by SIC division-level industries for 1969–2000
- Regional economic profiles (featuring a selection of personal income and employment data) for 1969–2007
- Personal current transfer receipts by major program for 1969–2007
- Farm income and expenses (including the major categories of gross receipts and expenses for all farms and for measures of farm income) for 1969–2007
- The counties with the highest and lowest per capita personal incomes in 2007
- Total wage and salary disbursements, total wage and salary employment, and average wage per job for 1969–2007
- Gross commuters' earnings flows for 1990–2007
- BEARFACTS, a narrative about an area's personal income that uses current estimates, growth rates, and a breakdown of the sources of personal income

In addition, the entire set of estimates for all areas will be available in May 2009 on a DVD-ROM that also includes an updated description of the sources and methods used to estimate local area personal income. To order the free DVD-ROM *Regional Economic Information System, 1969–2007* (product number RCN–0954), call the BEA's Regional Economic Information System at 202-606-5360, fax 202-606-5322, or e-mail reis@bea.gov.

The local area personal income estimates are also available through the members of the BEA User Group, which consists of state agencies and universities that help BEA to disseminate the estimates in their states. For a list of members of the BEA User Group, go to www.bea.gov/regional/docs/usergrp.cfm.

For more information, call BEA's Regional Economic Information System at 202-606-5360, fax 202-606-5322, or e-mail reis@bea.gov.

Acknowledgments

The annual estimates of local area personal income were prepared by the Regional Income Division under the direction of Robert L. Brown, Chief. Joel D. Platt, Associate Director for Regional Economics, provided general guidance.

The preparation of the estimates was a divisionwide effort.

The estimates of nonfarm wages and salaries and supplements to wages and salaries were prepared by the Regional Compensation Branch under the supervision of Sharon C. Carnevale, Chief. Major responsibilities were assigned to Elizabeth P. Cologer, John D. Laffman, Michael G. Pilot, Mauricio Ortiz, John A. Rusinko, and James M. Scott. Contributing staff members were Peter Battikha, Michael L. Berry, Ji Byun, Susan P. Den Herder, Terence J. Fallon, Craig S. Gagel, Tina C. Highfill, Russell C. Lusher, Paul K. Medzerian, Nathan D. Patterson, Ross A. Stepp, Melanie N. Vejdani, and Jaime Zenzano.

The estimates of farm wages and salaries, farm supplements to wages and salaries, proprietors' income, property income, personal current transfer receipts, contributions for government social insurance, and the adjustment for residence were prepared by the Regional Income Branch under the supervision of James M. Zavrel, Chief. Major responsibilities were assigned to Carrie L. Litkowski, Toan A. Ly, Brian J. Maisano, and James P. Stehle. Contributing staff members were, Daniel R. Corrin, Michelle A. Harder, Carla R. Jenkins, Andy K. Kim, W. Tim McKeel, Linda M. Morey, Julia T. Nguyen, and Troy P. Watson.

The public use tabulations and data files were assembled and the tables were prepared by the Regional Economic Information System Branch under the supervision of Kathy A. Albetski, Chief. Major responsibilities were assigned to Gary V. Kennedy. Contributing staff members were Alison M. Adam, H Steven Dolan, Michael J. Paris, Callan S. Swenson, Monique B. Tyes, and Jonas D. Wilson.

Tables 1 through 3 follow.