

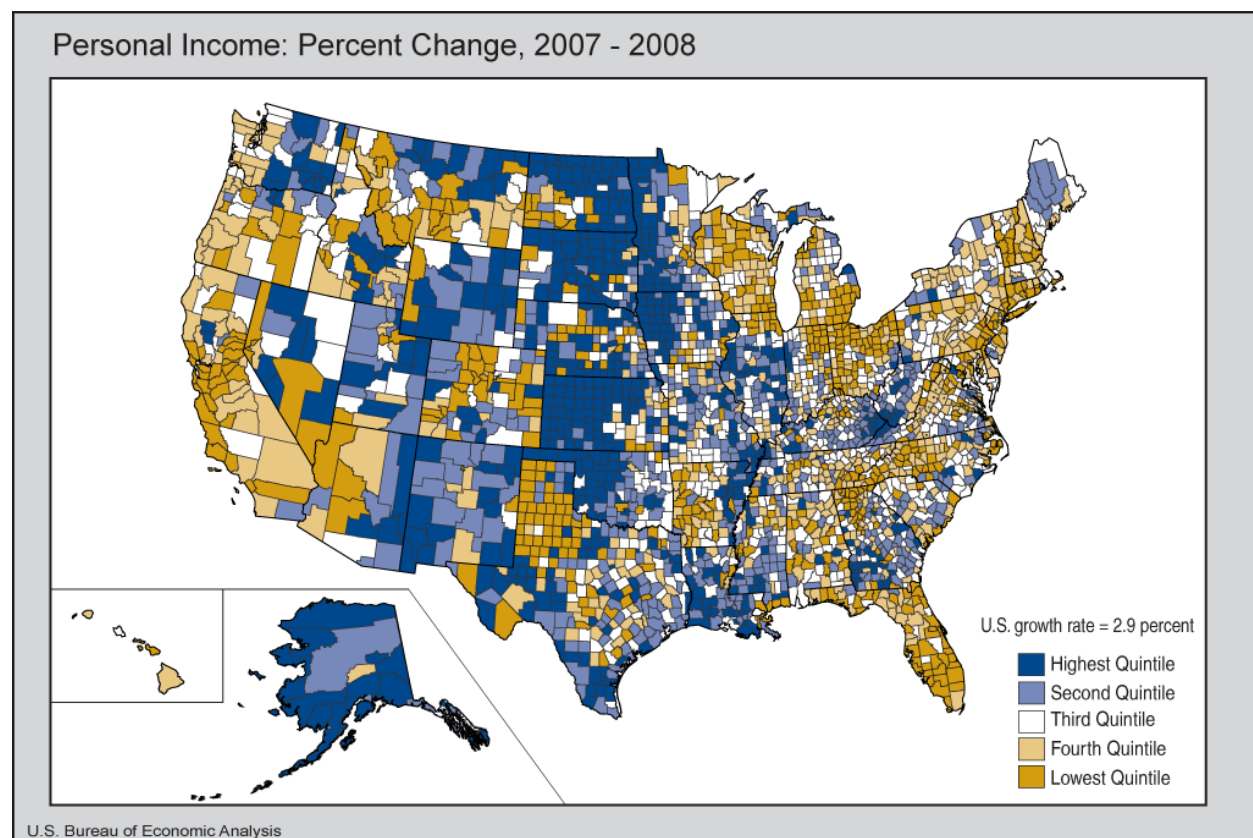
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BEA 10-15

### Local Area Personal Income, 2008

Today, the Bureau of Economic Analysis (BEA) released estimates of personal income at the county level for 2008 based on newly available source data. The percent change from 2007 to 2008 in county personal income ranged from -48 percent in Slope County, North Dakota to 54 percent in Faulk County, South Dakota with growth slowing in more than two-thirds of the counties. For the nation, personal income grew 2.9 percent in 2008 after growing 5.5 percent in 2007. A surge in farm income accounted for the bulk of the growth in 29 of the 31 fastest growing counties (the top 1 percent of the nation's counties) as they continued to rebound from sharp mid-decade declines in farm income.



This news release is available on BEA's Web site at [www.bea.gov/newsreleases/rels.htm](http://www.bea.gov/newsreleases/rels.htm).

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Personal income is a comprehensive measure of the income of all persons from all sources. In addition to wages and salaries, it includes employer-provided health insurance, dividends and interest income, social security benefits, and other types of income.

Per capita personal income (personal income divided by population) ranged from \$12,558 in Buffalo County, South Dakota to \$140,275 in Loving County, Texas.

The county estimates released today complete the successively more detailed series of data releases depicting the geographic distribution of the nation's personal income for 2008. National estimates typically are released one month after the end of the year, state estimates are released two months later, and metropolitan area estimates for 2008 were released in August 2009.

In this release, 3 digit NAICS subsector level detail was restored to 2008 statistics of county compensation. The subsector detail was restored as part of a FY 2010 Budget initiative that provided funding for a comprehensive program to improve the reliability and accuracy of all local area economic statistics.

Personal income and its components are available for 3,112 counties from 1969 to 2008. In addition, detailed annual estimates of earnings and employment, inflows and outflows of commuters' earnings, personal current transfer receipts, and farm gross income and expenses by major category for each county are available. A partial sample of the data available is presented in the attached table for New York County, New York. These estimates are the only comprehensive annual measure of economic activity available for counties. Go to [www.bea.gov/regional/reis/](http://www.bea.gov/regional/reis/) to access these estimates.

A narrative describing county, metropolitan area, and state personal income using current estimates, growth rates, and a breakdown of the sources of personal income is available at <http://www.bea.gov/regional/bearfacts/>.

## **Comprehensive revision of local area personal income statistics**

The annual estimates (1969-2008) of local area personal income have been revised to incorporate the comprehensive revision of the National Income and Product Accounts (NIPA). Comprehensive revisions, which are undertaken every 4 to 5 years, are an important part of BEA's regular process for improving and modernizing its accounts to keep pace with the ever-changing U.S. economy. Such revisions differ from annual revisions because of the scope of the changes and because of the number of years subject to revision. Comprehensive revisions consist of: (1) changes in definitions and classifications that update the accounts to portray more accurately the evolving U.S. economy, (2) statistical changes that introduce new and improved methodologies and incorporate newly available and revised source data, and (3) presentational changes that make the accounts more informative and easier to use and that reflect the definitional, classification, and statistical changes.

The major definitional change that affects local area personal income is the new treatment of disasters to better reflect the distinctions between current and capital transactions and to bring the NIPA in line with recommendations of the System of National Accounts (SNA) 2008. This raises total personal income in some counties and years affected by major disasters such as Hurricane Katrina in 2005 and the terrorist attacks of September 11, 2001.

Two major methodological improvements were made. The first is an improvement in the measurement of wage and salary disbursements. The Quarterly Census of Employment and Wages, which BEA uses to estimate wage and salary disbursements, does not include employee contributions to cafeteria plans in 28 states where state law excludes these contributions from wages for unemployment insurance purposes. These contributions were estimated using state data from the Medical Expenditure Panel Survey of the Agency for Healthcare Research and Quality.

The second is an improvement in the estimation of employer contributions for Old-Age, Survivors, and Disability Insurance (OASDI) by industry. Previously, a national estimate of private employer OASDI contributions was allocated to industries in proportion to wage and salary disbursements, overstating contributions in high-wage industries. The methodological improvement uses data on the distribution of employment by wage rates, states, and industries from the Occupational Employment Survey of the Bureau of Labor Statistics and maximum taxable earnings from the Social Security Administration.

Newly available and revised source data used in the revision of local area personal income include U.S. Department of Agriculture farm income, expenses, and employment statistics from the Census of Agriculture.

The major presentational changes for the local area personal income statistics include the split of the former Skagway-Hoonah-Angoon Census Area in Alaska into the Hoonah-Angoon Census Area and Skagway Municipality and the addition of charts and graphs to BEA Regional Facts (BEARFACTS).

The May *Survey of Current Business* will contain an article that describes the results of the revisions to local area personal income in detail.

### Note about data on the BEA Web site

The complete set of income and employment estimates for 1969-2008 for counties, micropolitan areas, metropolitan areas, and BEA Economic Areas is now available interactively on BEA's Web site. Detailed annual estimates of earnings and employment by industry, components of personal income, personal current transfer receipts, farm gross income and expenses by major category, and inflows and outflows of commuters' earnings for each of the geographic regions are available. These estimates are the only detailed, broadly inclusive, annual measure of economic activity available for counties. Go to [www.bea.gov/regional/reis/](http://www.bea.gov/regional/reis/) to access these estimates.

BEA Regional Facts (BEARFACTS), a narrative summary of personal income, per capita personal income, and components of income for metropolitan areas and counties, is available on BEA's Web site. Go to [www.bea.gov/regional/bearfacts/](http://www.bea.gov/regional/bearfacts/) to access these summaries.

Data on personal income and per capita personal income for BEA regions, states, and metropolitan areas, as well as data for counties, will be presented in the May issue of the *Survey of Current Business*, the monthly journal of the Bureau of Economic Analysis. See the end of this release for information on obtaining copies of the *Survey of Current Business* on BEA's Web site. For further information, call (202) 606-5360.

### Definitions

**Personal income** is the income received by all persons from all sources. Personal income is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and personal current transfer receipts. **Net earnings** is earnings by place of work (the sum of wage and salary disbursements, supplements to wages and salaries, and proprietors' income) less contributions for government social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

The estimate of personal income in the United States is derived as the sum of the county estimates; it differs slightly from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

**Per capita personal income** is calculated as the personal income of residents of a given area divided by the resident population of the area. In computing per capita personal income, BEA uses the Census Bureau's annual midyear population estimates.

The **metropolitan area definitions** used by BEA for its entire series of personal income estimates are the county-based definitions developed by the Office of Management and Budget (OMB) for federal statistical purposes and last updated in December 2009. OMB's general concept of a metropolitan area is that of a geographic area consisting of a large population nucleus together with adjacent communities having a high degree of economic and social integration with the nucleus. Detailed personal income estimates for metropolitan statistical areas, micropolitan statistical areas, metropolitan divisions, and combined statistical areas are available on the BEA Web site at [www.bea.gov](http://www.bea.gov).

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at [www.bea.gov](http://www.bea.gov). By visiting the site, you can also subscribe to receive free e-mail alerts of BEA releases and announcements.

**Personal Income by Major Source and Earnings by Industry for New York County, New York, 2006-2008<sup>1</sup>**

	[Thousands of dollars]		
	2006	2007	2008
<i>Income by place of residence</i>			
Personal income	177,313,980	193,230,309	197,041,371
Population (persons) 2/	1,612,630	1,625,251	1,631,599
Per capita personal income (dollars)	109,953	118,893	120,766
<i>Derivation of personal income</i>			
Earnings by place of work	303,744,729	332,041,218	337,445,480
less: Contributions for government social insurance 3/	27,410,654	30,141,142	31,168,641
Employee and self-employed contributions for government social insurance	14,739,781	16,508,612	17,094,421
Employer contributions for government social insurance	12,670,873	13,632,530	14,074,220
plus: Adjustment for residence 4/	-156,181,161	-173,811,233	-174,685,562
equals: Net earnings by place of residence	120,152,914	128,088,843	131,591,277
plus: Dividends, interest, and rent 5/	42,563,317	49,837,522	49,253,234
plus: Personal current transfer receipts	14,597,749	15,303,944	16,196,860
<i>Earnings by place of work</i>			
<b>Components of earnings</b>			
Wage and salary disbursements	218,981,689	246,707,719	249,239,187
Supplements to wages and salaries	41,314,382	43,727,707	45,164,293
Employer contributions for employee pension and insurance funds	28,643,509	30,095,177	31,090,073
Employer contributions for government social insurance	12,670,873	13,632,530	14,074,220
Proprietors' income 6/	43,448,658	41,605,792	43,042,000
Farm proprietors' income	0	0	0
Nonfarm proprietors' income	43,448,658	41,605,792	43,042,000
<b>Earnings by industry</b>			
Farm earnings	0	0	0
Nonfarm earnings	303,744,729	332,041,218	337,445,480
Private earnings	271,837,651	298,819,432	303,554,139
Forestry, fishing, and related activities	16,749	16,542	24,435
Forestry and logging	(D)	(D)	2,855
Fishing, hunting, and trapping	487	(D)	523
Agriculture and forestry support activities	(D)	13,285	21,057
Mining	887,290	618,836	754,256
Oil and gas extraction	877,416	610,217	743,201
Mining (except oil and gas)	(D)	(D)	(D)
Support activities for mining	(D)	(D)	(D)
Utilities	(D)	(D)	(D)
Construction	3,998,009	4,410,228	4,641,196
Construction of buildings	1,773,001	1,981,633	2,164,444
Heavy and civil engineering construction	213,691	252,518	269,971
Specialty trade contractors	2,011,317	2,176,077	2,206,781
Manufacturing	4,291,905	4,523,195	4,337,747
Durable goods manufacturing	(D)	(D)	(D)
Wood product manufacturing	(D)	5,024	7,617
Nonmetallic mineral product manufacturing	20,034	17,535	25,172
Primary metal manufacturing	15,191	19,910	19,156
Fabricated metal product manufacturing	39,270	40,347	44,129
Machinery manufacturing	26,941	30,035	28,858
Computer and electronic product manufacturing	89,864	106,033	99,757
Electrical equipment and appliance manufacturing	10,001	651	1,322
Motor vehicles, bodies and trailers, and parts manufacturing	(D)	(D)	366
Other transportation equipment manufacturing	(D)	(D)	(D)

See footnotes at the end of the table.

**Personal Income by Major Source and Earnings by Industry for New York County, New York, 2006-2008<sup>1</sup> (continued)**

	[Thousands of dollars]		
	2006	2007	2008
Furniture and related product manufacturing	38,068	44,423	46,287
Miscellaneous manufacturing	615,200	619,353	604,995
Nondurable goods manufacturing	(D)	(D)	(D)
Food manufacturing	123,965	129,383	130,095
Beverage and tobacco product manufacturing	338,706	496,106	385,769
Textile mills	184,775	182,622	166,282
Textile product mills	49,881	64,958	73,283
Apparel manufacturing	1,229,938	1,283,427	1,251,047
Leather and allied product manufacturing	34,651	27,542	32,182
Paper manufacturing	41,538	61,118	67,769
Printing and related support activities	571,391	572,392	526,572
Petroleum and coal products manufacturing	(D)	(D)	(D)
Chemical manufacturing	348,338	339,429	327,820
Plastics and rubber products manufacturing	9,786	8,817	9,239
Wholesale trade	10,517,815	11,059,556	11,241,990
Retail trade	8,245,797	8,857,087	8,922,937
Motor vehicle and parts dealers	176,704	185,266	178,183
Furniture and home furnishings stores	365,420	405,525	414,198
Electronics and appliance stores	504,637	594,406	668,505
Building material and garden supply stores	192,564	207,612	191,287
Food and beverage stores	921,928	980,767	1,019,100
Health and personal care stores	1,016,000	1,095,239	1,079,540
Gasoline stations	24,745	25,480	28,013
Clothing and clothing accessories stores	2,502,877	2,617,288	2,591,453
Sporting goods, hobby, book and music stores	346,195	354,714	350,001
General merchandise stores	661,354	665,307	652,397
Miscellaneous store retailers	970,741	1,109,553	1,129,129
Nonstore retailers	562,632	615,930	621,131
Transportation and warehousing	(D)	(D)	(D)
Air transportation	72,643	84,481	138,986
Rail transportation	59,643	62,012	(D)
Water transportation	(D)	(D)	70,715
Truck transportation	129,362	129,840	136,166
Transit and ground passenger transportation	167,057	160,323	160,357
Pipeline transportation	0	0	0
Scenic and sightseeing transportation	55,531	57,757	50,260
Support activities for transportation	304,111	329,331	338,743
Couriers and messengers	501,641	517,093	530,068
Warehousing and storage	54,292	77,667	76,158
Information	25,284,589	26,856,242	28,034,961
Publishing industries, except Internet	6,897,813	7,180,825	7,416,531
Motion picture and sound recording industries	3,893,183	4,305,236	4,665,143
Broadcasting, except Internet	10,347,881	10,936,570	11,595,020
Internet publishing and broadcasting 7/	423,631	(NA)	(NA)
Telecommunications	1,981,213	2,148,796	2,000,151
ISPs, search portals, and data processing	1,075,424	1,018,684	958,190
Other information services	665,444	1,266,131	1,399,926

See footnotes at the end of the table.

**Personal Income by Major Source and Earnings by Industry for New York County, New York, 2006-2008<sup>1</sup> (continued)**

	[Thousands of dollars]		
	2006	2007	2008
Finance and insurance	99,669,103	114,278,636	112,158,213
Monetary authorities - central bank	(D)	(D)	(D)
Credit intermediation and related activities	14,622,981	16,462,490	15,896,473
Securities, commodity contracts, investments	74,173,798	84,798,482	82,840,641
Insurance carriers and related activities	8,013,000	8,669,973	8,774,180
Funds, trusts, and other financial vehicles	(D)	(D)	(D)
Real estate and rental and leasing	7,821,945	8,127,298	7,994,205
Real estate	7,212,340	7,479,082	7,335,657
Rental and leasing services	346,824	343,710	345,563
Lessors of nonfinancial intangible assets	262,781	304,506	312,985
Professional and technical services	47,136,749	51,367,830	54,198,435
Management of companies and enterprises	10,980,097	12,414,479	12,437,019
Administrative and waste services	10,219,990	11,369,005	11,562,362
Administrative and support services	10,133,341	11,279,800	11,451,895
Waste management and remediation services	86,649	89,205	110,467
Educational services	5,571,777	5,895,619	6,330,074
Health care and social assistance	13,856,303	14,509,835	15,082,067
Ambulatory health care services	4,851,871	5,117,212	5,262,849
Hospitals	5,862,877	6,156,159	6,461,296
Nursing and residential care facilities	786,589	794,794	802,791
Social assistance	2,354,966	2,441,670	2,555,131
Arts, entertainment, and recreation	6,331,249	6,527,534	6,841,988
Performing arts and spectator sports	5,379,158	5,562,864	5,748,641
Museums, historical sites, zoos, and parks	415,937	450,715	502,450
Amusement, gambling, and recreation	536,154	513,955	590,897
Accommodation and food services	7,220,886	7,851,026	8,319,011
Accommodation	2,518,479	2,753,233	2,961,415
Food services and drinking places	4,702,407	5,097,793	5,357,596
Other services, except public administration	7,284,273	7,623,618	8,030,547
Repair and maintenance	534,396	532,300	536,027
Personal and laundry services	2,910,301	3,048,307	3,150,675
Membership associations and organizations	3,329,776	3,485,596	3,762,267
Private households	509,800	557,415	581,578
Government and government enterprises	31,907,078	33,221,786	33,891,341
Federal, civilian	2,557,766	2,640,667	2,731,753
Military	114,574	120,968	136,763
State and local	29,234,738	30,460,151	31,022,825
State government	1,785,414	1,866,739	2,029,433
Local government	27,449,324	28,593,412	28,993,392

D. Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the total.

NA. Data not available for this year.

1. The estimates of earnings for 2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007 forward are based on the 2007 NAICS.

2. Census Bureau midyear population estimates. Estimates for 2006-2008 reflect county population estimates available as of April 2010.

3. Contributions for government social insurance are included in earnings by type and industry but they are excluded from personal income.

4. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.

5. Rental income of persons includes the capital consumption adjustment.

6. Proprietors' income includes the inventory valuation adjustment and capital consumption adjustment.

7. Under the 2007 NAICS, internet publishing and broadcasting was reclassified to other information services.

Source: U.S. Bureau of Economic Analysis