



Chronicling 100 Years of the U.S. Economy

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The Evolution of BEA's Regional Statistics Expanding State Personal Income Measurements

The Regional Economic Accounts at the Bureau of Economic Analysis (BEA) have expanded and evolved over the decades to better measure state and local economies. One flagship measurement—state personal income—was first reported in the *Survey of Current Business* in 1940 and covered income payments to individuals on an annual basis for the period 1929–1938. This annual measurement served as the only state personal income statistics reported until December 1966, when the U.S. Department of Commerce Office of Business Economics, a predecessor agency to BEA, released a new series in the *Survey*—quarterly estimates of state personal income.

Quarterly Estimates of State Personal Income: A New Series

by ERNEST T. BURTON

This report introduces a new body of regional economic data, quarterly estimates of total personal income, by State and District for the period 1947 to 1966. The series is designed to measure about one-third of the total personal income payments to individuals in a geographic area. It provides a more timely and comprehensive picture of the business cycle in the States and Districts than has been possible up to now through the use of annual statistics alone.

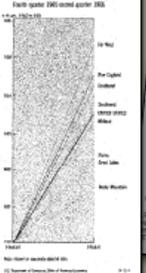
The series presented here begins with the first quarter of 1947 and continues through the second quarter of 1966. The series will be published in the January 1967 *Survey*, and those for the fourth quarter of the 1966 year will appear in the preceding year edition of the *Survey*.

The April issue of the *Survey* will carry preliminary annual totals for the preceding year derived on the basis of the four quarterly estimates. These totals will be replaced in the August *Survey* by estimates based on more comprehensive and reliable annual data. A historical quarterly series extending back to 1929 and showing some detail on individual sources of income will be published in a special article during the coming year.

Personal income in the mid-1960s

For all States combined, total personal income rose from a seasonally adjusted annual rate of \$205 billion in the third quarter of 1965 to \$238 billion in the second quarter of 1966, a gain of 15.7 percent. Over the same period, all States had 7.1 percent total income, which ranged from 3.1 percent in 19 States to 9.9 percent in Washington; a State State showed gains of 8 to 12 percent. Only 10 States had income in the second quarter of the year below the four-quarter rate, and the fastest decline was in Iowa, where income fell from the seasonally high peak reached in 1965, contrary to the trend in all other States.

Over a 6-month span, many States showed an increase in the rate of income, temporary increases and regional patterns of change tend to be blurred. However, the effects of certain influences on rates of income change were evident in a number of States. Changes in farm income over the same development that caused steady declines in the rate of income in the South and West. The increase in personal income in the agricultural States was the result of the increase in the rate of income in the States and the West. The States and the West showed the largest gains in the rate of income, and the States and the West showed the largest gains in the rate of income.



The pages of the December 1966 *Survey* article "Quarterly Estimates of State Personal Income: A New Series."

This new series was developed “to measure short-term changes in economic activity and purchasing power on a geographic basis.” The quarterly data provided a finer measure for assessing the impact of the business cycle on states and regions than had been possible using annual statistics. The first quarterly estimates covered the first quarter of 1965 through the second quarter of 1966. Over time, the statistics were updated extending back to 1948 and included more comprehensive and reliable annual data as well as detail on industry sources.

As BEA celebrates the centennial of the publication of the first issue of the *Survey*, we are looking back at milestones in the history of our accounts. These quarterly state personal income statistics are one example of the evolution of BEA's regional products, which now include personal income by county and metro area, gross domestic product by state and county and metro area, as well as consumer spending and employment data, among others. We are pleased to reprint the December 1996 *Survey* article “[Quarterly Estimates of State Personal Income: A New Series](#).” For more information on the development of BEA's regional statistics, see “[BEA's Regional Program: Challenges and Milestones](#),” also in this issue of the *Survey*.



Survey of Current Business
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