

Taking Account...

Reconciling State-Level Personal Income Measures

In a recent working paper, BEA economists Robert L. Brown, Ann E. Dunbar, and Adrienne T. Pilot evaluated the feasibility of reconciling BEA state personal income and Internal Revenue Service adjusted gross income (AGI). BEA publishes a national reconciliation of personal income and AGI annually. For research purposes, state-level reconciliations would be comparably useful to analysts examining economic, fiscal, and other issues. The paper looked at two main areas: (1) Wages and salaries and (2) nonwage components of income.

The study found that it is feasible to prepare an accurate reconciliation for wages and salaries and included reconciliations of state wages and salaries for 2000. However, additional research is required to determine the feasibility and value of reconciling state personal income and AGI for nonwage components—such as proprietors' income, personal current transfer receipts, and dividends, interest, and rent. The working paper discussed several methods and data sources that could be used to prepare a reconciliation of nonwage items. A critical issue is that many nonwage components of state per-

sonal income are derived from IRS data, making reconciliation of these components of limited use.

The paper is available on the BEA Web site at <www.bea.gov/beat/papers/PI-AGI.pdf>. State-level wage reconciliations are available at <www.bea.gov/beat/papers/IRSAGI.xls>.

County Estimates of Compensation by Industry

BEA has released county estimates of compensation by industry for 2003–2005. The estimates for 2005 are new; the estimates for 2003–2004 have been revised to incorporate newly available source data.

Compensation—the sum of wage and salary disbursements and supplements to wages and salaries—is a key statistic in the personal income account. The estimates of compensation by industry cover 114 industries and aggregates for 3,111 counties. Also, BEA released compensation by industry for metropolitan areas, metropolitan divisions, micropolitan areas, combined statistical areas, and BEA economic areas.

Compensation estimates for all areas for 1998–2005 are available at <www.bea.gov/beat/regional/sqpi/>.

Local area personal income

estimates for 2005 are scheduled to be released in April.

BEA Digital Library Enhancements Unveiled

BEA has expanded its Digital Library, adding 60 articles that were published in the SURVEY OF CURRENT BUSINESS during the 1930s and 1940s.

The additions include a 1939 paper by Robert Nathan about national income by state, entitled “Some Problems Involved in Allocating Incomes by State.”

These documents will allow users to more deeply explore the early motivations behind key economic policies brought about by the Great Depression, World War II mobilization, and the transition back to a peacetime economy after the war.

The BEA Digital Library, which was launched in June 2006, provides a host of other historical articles about a range of topics, such as the reestablishment of the alcoholic beverage industry after the end of Prohibition and the state of important industries, such as the railroad and electric power industries.

In addition, the Digital Library now features a new history page and a redesigned home page. The library can be accessed at <library.bea.gov/>.