Using LED to Redefine BEA Economic Areas

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Regional Accounts Program - Part of a fully integrated system of economic accounts that:

- Measure how much is produced
- Measure income and how it is allocated to factors of production
- Measure output by industry
- Account for international transactions
Featured Regional Accounts

- Gross domestic product by state and metropolitan areas
- Personal income by state, metropolitan areas and counties
BEA Geographic Areas

- States
- Local Areas
  - Counties
  - Metropolitan Areas
    - Metropolitan Divisions
  - Micropolitan Areas
  - Combined Statistical Areas
  - BEA Economic Areas
BEA Economic Areas

- Redefined in 2004
- Designed to represent relevant regional markets for labor, products and information
- Determined primarily by labor commuting patterns from data in the 2000 decennial census
- Supplemented by newspaper readership data in less populated areas
Local Area Hierarchy

- County - building blocks for larger statistical areas (3,141)

**OMB Defined:**

- Core Based Statistical Areas (939)
  - Metropolitan Statistical Areas (363)
  - Micropolitan Statistical Areas (576)
- Combined Statistical Areas (123)
Local Area Hierarchy

BEA Defined:

- Component Economic Areas (CEA) (344)
- BEA Economic Areas (EA) (179)
Three Step Process

- Identify economic nodes
- Assign non-nodal counties to CEAs
- Combine CEAs into EAs
Uses of BEA Economic Areas

- Regional Accounts Program local area estimates
- Federal Agencies: Airwave licensing, land uses, transportation systems and healthcare assessments (FCC, USDA, DOT, NIH)
Commuting Data

- Elimination of decennial long form necessitates finding new data sources

- Potential new sources for commuting data
  - American Community Survey (ACS)
  - LED
Advantages of LED/LEHD

- Current
- Population vs. Sample
- Integrated and Consistent
- Linkages with additional economic, demographic and industry data
- Potential to redefine criteria for determining BEA Economic Areas