



Population, Employment, Earnings and Personal Income Trends

Laramie County, WY



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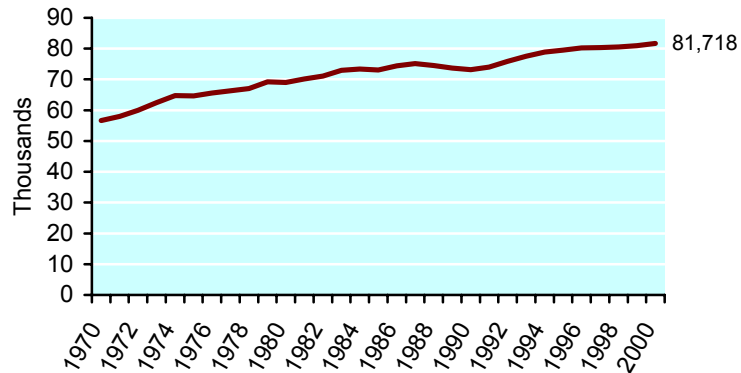
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Compiled by Wyoming Economic Analysis Division (<http://eativ.state.wy.us>)

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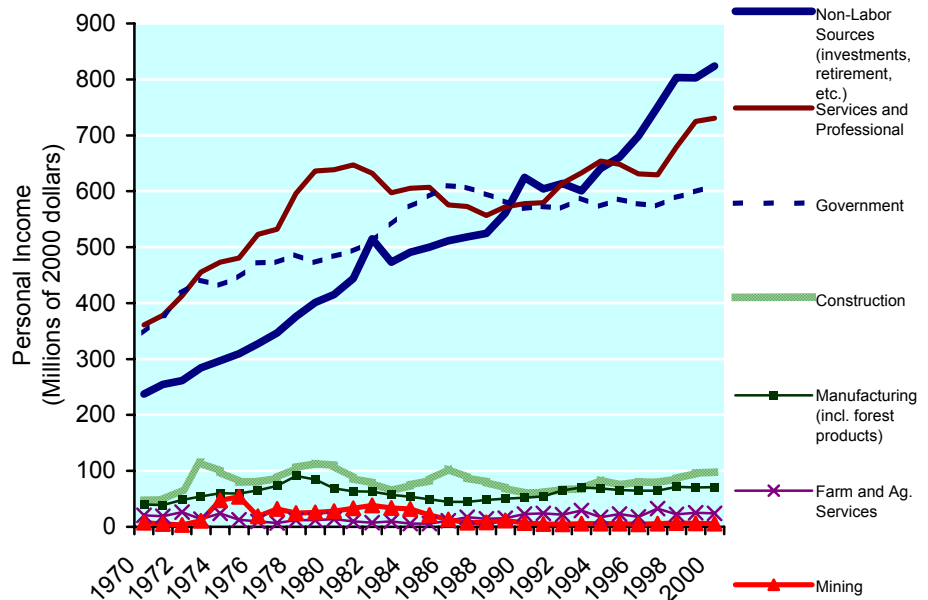
Population

- From 1970 to 2000 Laramie County, WY grew by 25,099 people, a 44% increase in population.



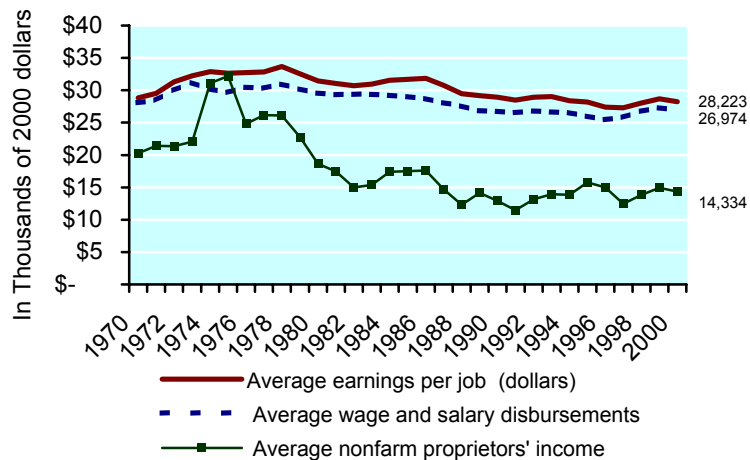
Income Growth or Decline by Major Category

- From 1970 to 2000 the fastest growing component of personal income, in real terms, was from Non-Labor Sources.
- The second fastest component was Services and Professional.



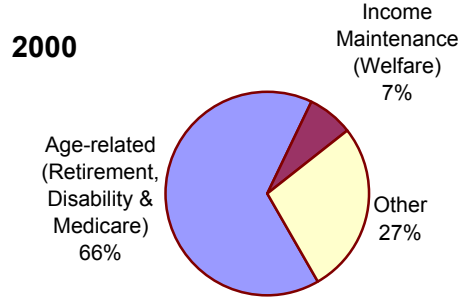
Average Earnings

- Average earnings per job, in real terms, dropped from \$28,826 in 1970 to \$28,223 in 2000.



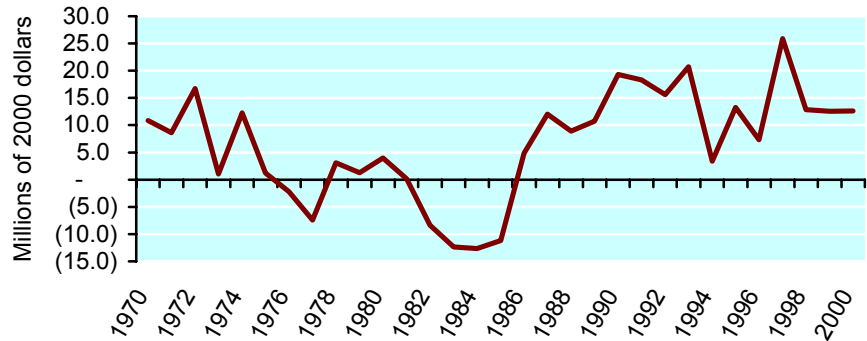
Components of Transfer Payments

- In 2000, 65% of Transfer Payments were from age-related sources (retirement, disability, insurance payments, and Medicare). 7% was from welfare.



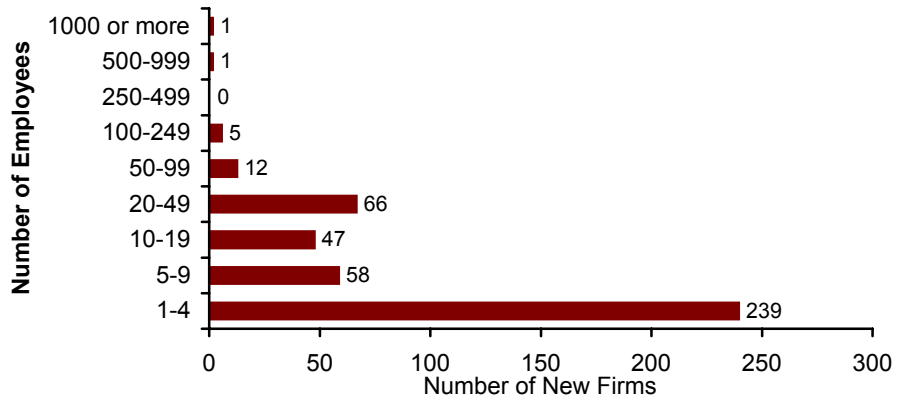
Net Farm Income

- Net income from farming and ranching rose from \$11 million in 1970 to \$13 million in 2000.



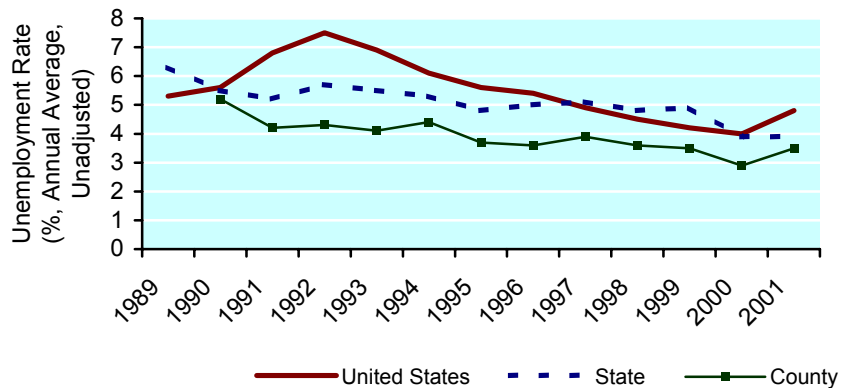
New Firms by Employment Size 1990 to 2000

- From 1990 to 2000 the majority of new businesses established in Laramie County, WY were small, with fewer than 20 employees.



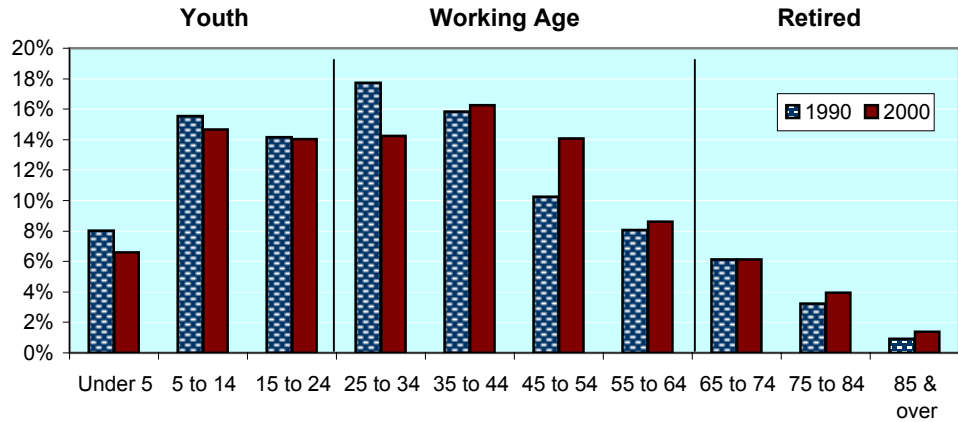
Annual Average Unemployment Rate Comparing County to State

- In 2001, the unemployment rate in Laramie County, WY was 3.5%, compared to 3.9% for the state and 4.8% for the nation.



Age Breakout in 2000

- The median age in Laramie County, WY is 35.3 years old, compared to 36.2 in the state and 35.3 in the nation.
- In 2000, the baby boom was aged 35 - 54.



Trends

- Retirement age category has been stable.

Population by Category, 1990 & 2000						
	1990	% of Total	2000	% of Total	% Chg 1990 - 2000	% Chg per Year 1990 - 2000
Population	73,142		81,607		12%	1.2%
Male	36,415	50%	40,986	50%	13%	1.3%
Female	36,727	50%	40,621	50%	11%	1.1%
Under 20 years	22,446	31%	23,294	29%	4%	0.4%
65 years and over	7,553	10%	9,351	11%	24%	2.4%
Median Age	31.9		35.3			

Race Breakout

- Race is broken out two ways. The Hispanic breakout is separate because Hispanics can be of any race.

Population by Race in 2000				
	County	% of Total	State	% of Total
White	72,563	88.9%	454,670	92.1%
Black or African American	2,124	2.6%	3,722	0.8%
American Indian & Alaska Native	693	0.8%	11,133	2.3%
Asian	777	1.0%	2,771	0.6%
Native Hawaiian & Other Pacific Islander	89	0.1%	302	0.1%
Some other race	3,267	4.0%	12,301	2.5%
Two or more races	2,094	2.6%	8,883	1.8%
Hispanic or Latino (of any race)	8,897	10.9%	31,669	6.4%
Not Hispanic or Latino	72,710	89.1%	462,113	93.6%

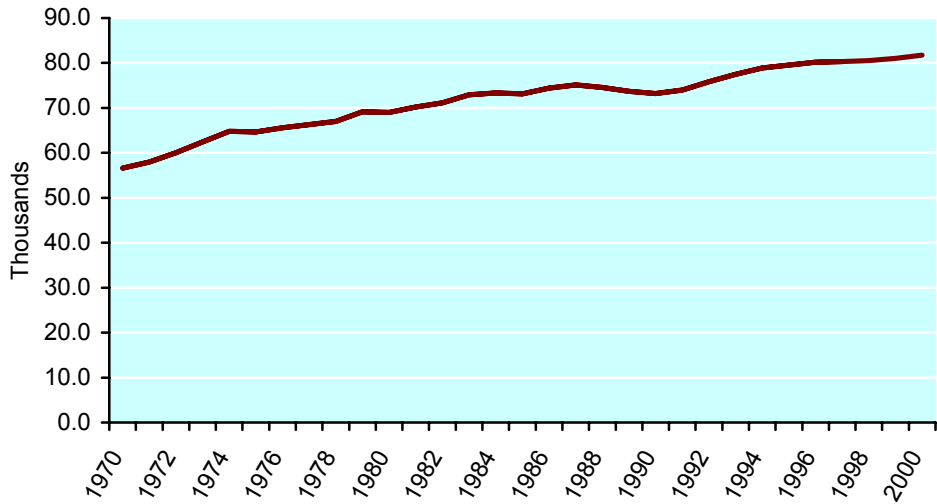
Household Type

- Laramie County, WY has lower owner occupancy rate than the state.

Population by Household Type in 2000				
	County	% of Total	State	% of Total
Total Housing Units	34,213		223,854	
Occupied Housing Units	31,927	93.3%	193,608	86.5%
Vacant Housing Units	2,286	6.7%	30,246	13.5%
For Seasonal, Recreational, or Occ. Use	238	0.7%	12,389	5.5%
Homeowner Vacancy Rate (%)	1.5%		2.1%	
Rental Vacancy Rate (%)	7.7%		9.7%	
Housing Tenure	County	% of Occ.	State	% of Occ.
Occupied Housing Units	31,927		193,608	
Owner-occupied Housing Units	22,054	69.1%	135,514	70.0%
Renter-occupied Housing Units	9,873	30.9%	58,094	30.0%
Avg Household Size - Owner Occupied	2.5		2.6	
Avg Household Size - Renter Occupied	2.3		2.3	

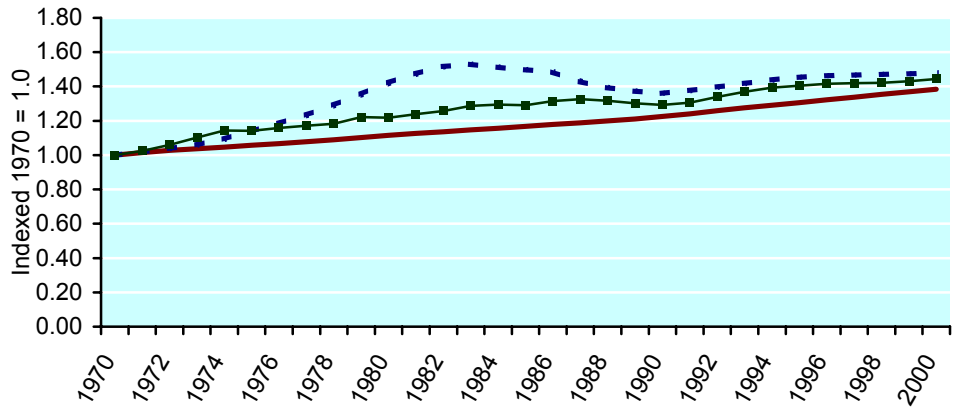
Population

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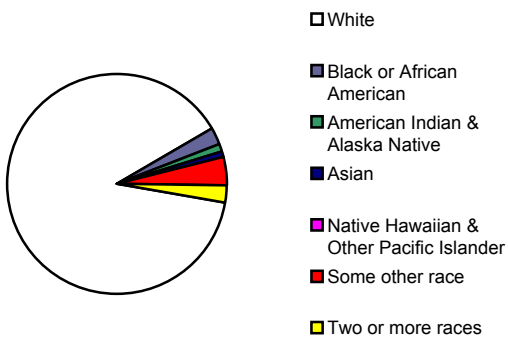
Compared to State and the Nation

- Since 1970, the population in Laramie County, WY has grown slower than the state and faster than the nation.

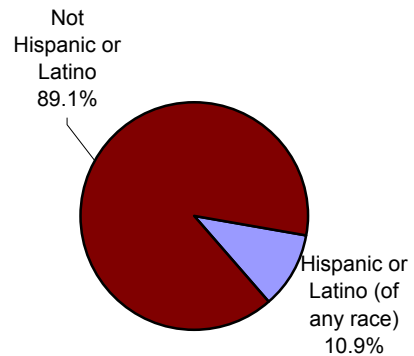


United States Wyoming Laramie County, WY

2000 Race Breakout



2000 Hispanic Breakout

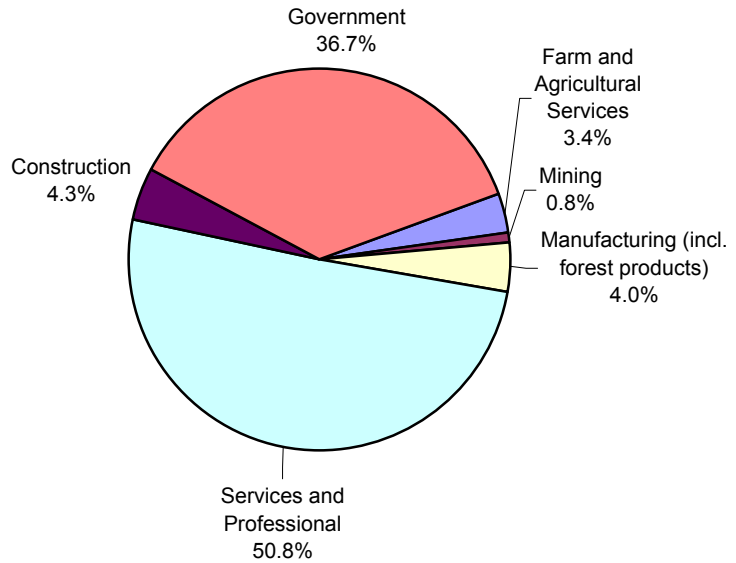


Job Growth

(See next page)

- From 1970 to 2000, 26,010 new jobs were created.
- Services and Professional accounted for 17,450 new jobs.
- Government accounted for 5,184 new jobs.

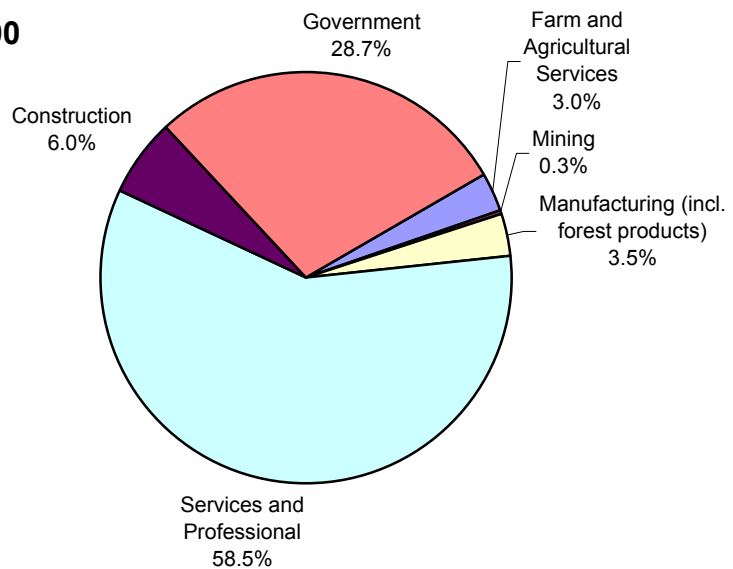
1970

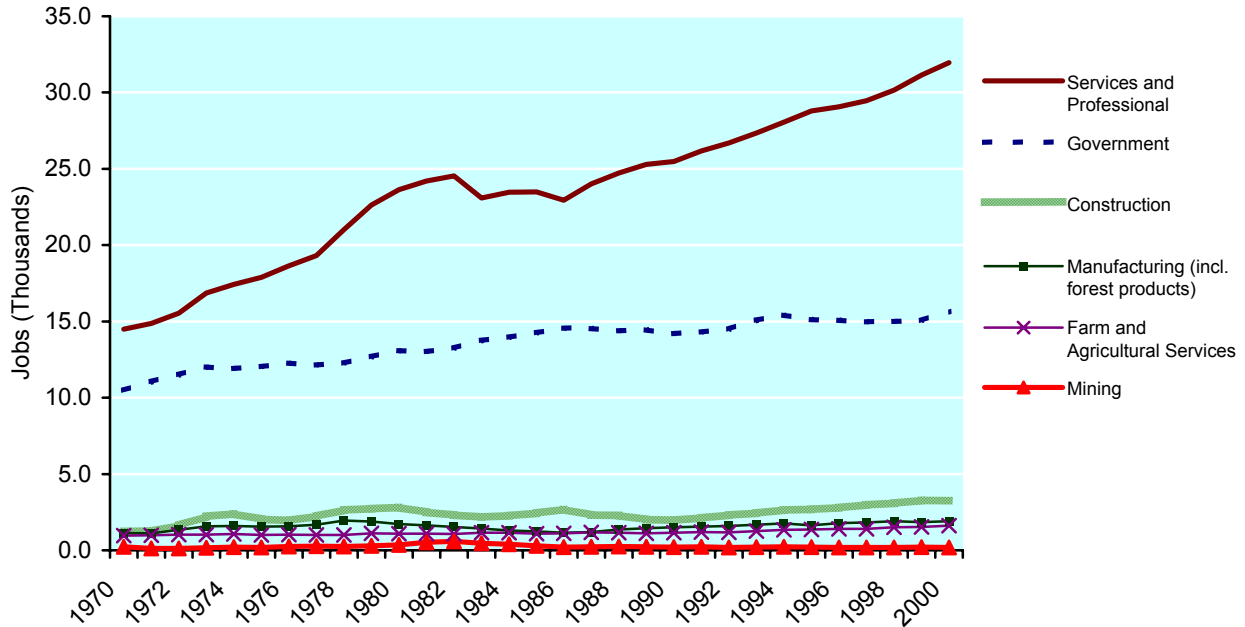


Jobs 1970 & 2000

- In 1970, the largest employment sectors were Services and Professional (51%) and Government (37%).
- In 2000 the largest employment sectors were Services and Professional (59%) and Government (29%).

2000





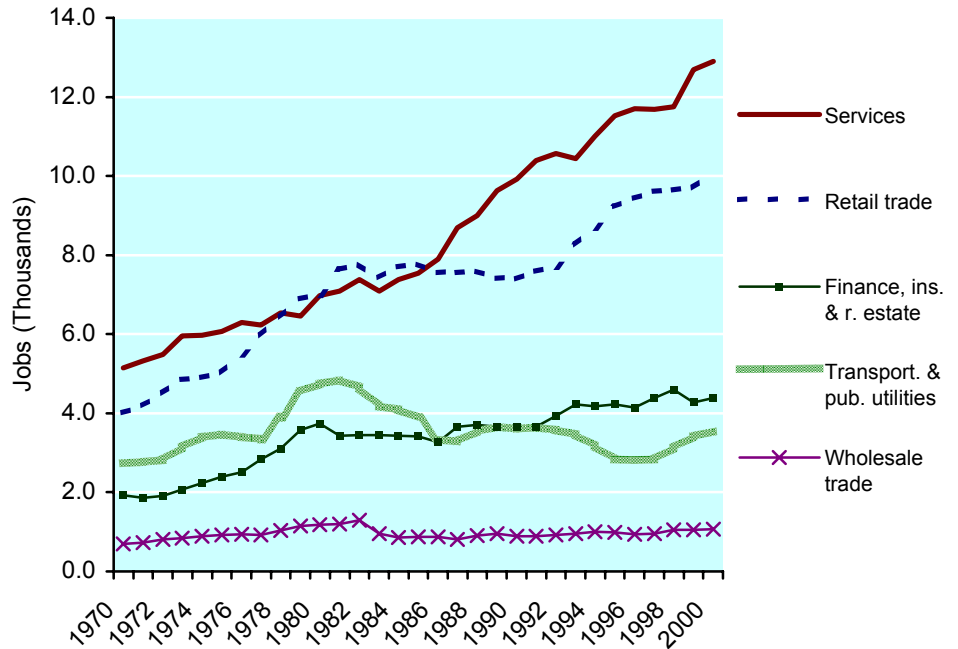
Employment by Industry Changes from 1970 to 2000						
	1970	% of Total	2000	% of Total	New Employment	% of New Employment
Total Employment	28,562		54,572		26,010	
Wage and Salary Employment	24,917	87.2%	44,444	81.4%	19,527	75.1%
Proprietors' Employment	3,645	12.8%	10,128	18.6%	6,483	24.9%
Farm and Agricultural Services	975	3.4%	1,613	3.0%	638	2.5%
Farm	881	3.1%	946	1.7%	65	0.2%
Ag. Services	94	0.3%	667	1.2%	573	2.2%
Mining	230	0.8%	185	0.3%	-45	NA
Manufacturing (incl. forest products)	1,140	4.0%	1,912	3.5%	772	3.0%
Services and Professional	14,501	50.8%	31,951	58.5%	17,450	67.1%
Transportation & Public Utilities	2,731	9.6%	3,543	6.5%	812	3.1%
Wholesale Trade	704	2.5%	1,076	2.0%	372	1.4%
Retail Trade	4,007	14.0%	10,047	18.4%	6,040	23.2%
Finance, Insurance & Real Estate	1,919	6.7%	4,380	8.0%	2,461	9.5%
Services (Health, Legal, Business, Others)	5,140	18.0%	12,905	23.6%	7,765	29.9%
Construction	1,240	4.3%	3,251	6.0%	2,011	7.7%
Government	10,476	36.7%	15,660	28.7%	5,184	19.9%

Agricultural Services include soil preparation services, crop services, etc. It also includes forestry services, such as reforestation services, and fishing, hunting, and trapping. **Manufacturing** includes paper, lumber and wood products manufacturing.

Services & Professional

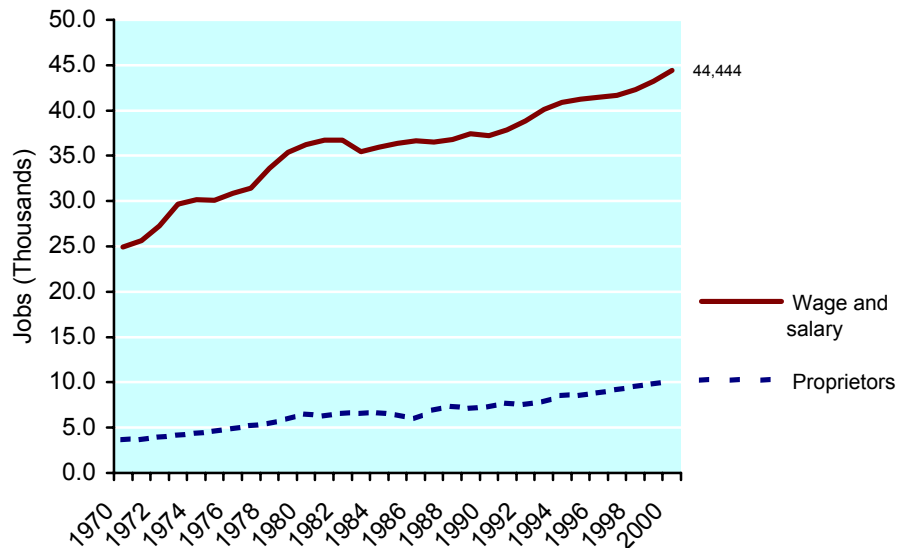
The fastest growing categories under Services and Professional are:

- Services (which includes health, business, legal, engineering and management services) represent 24% of total employment in 2000.
- Retail Trade accounts for 18% of total employment.



Employees vs. Proprietors

- From 1970 to 2000, the majority of job growth, 75% of new jobs, has been in wage and salary employment (people who work for someone else).
- Employment of proprietors contributed to 25% of new employment from 1970 to 2000. In 1970, proprietors represented 13% of total employment; by 2000, they represented 19%.

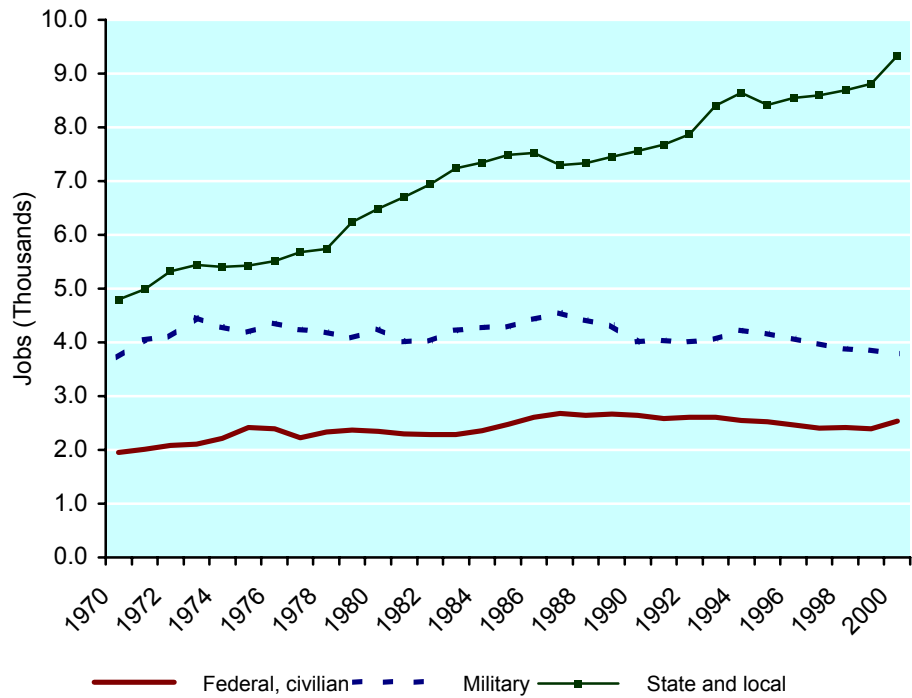


Proprietors include sole ownerships, partnerships, and tax-exempt cooperatives.

Wage and salary employment refers to employees.

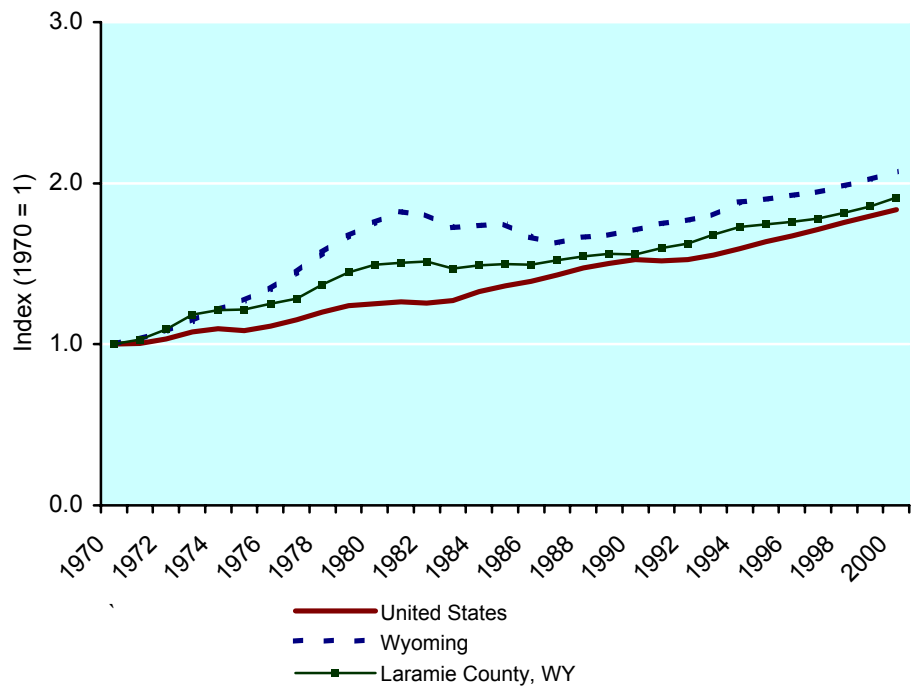
Government Jobs

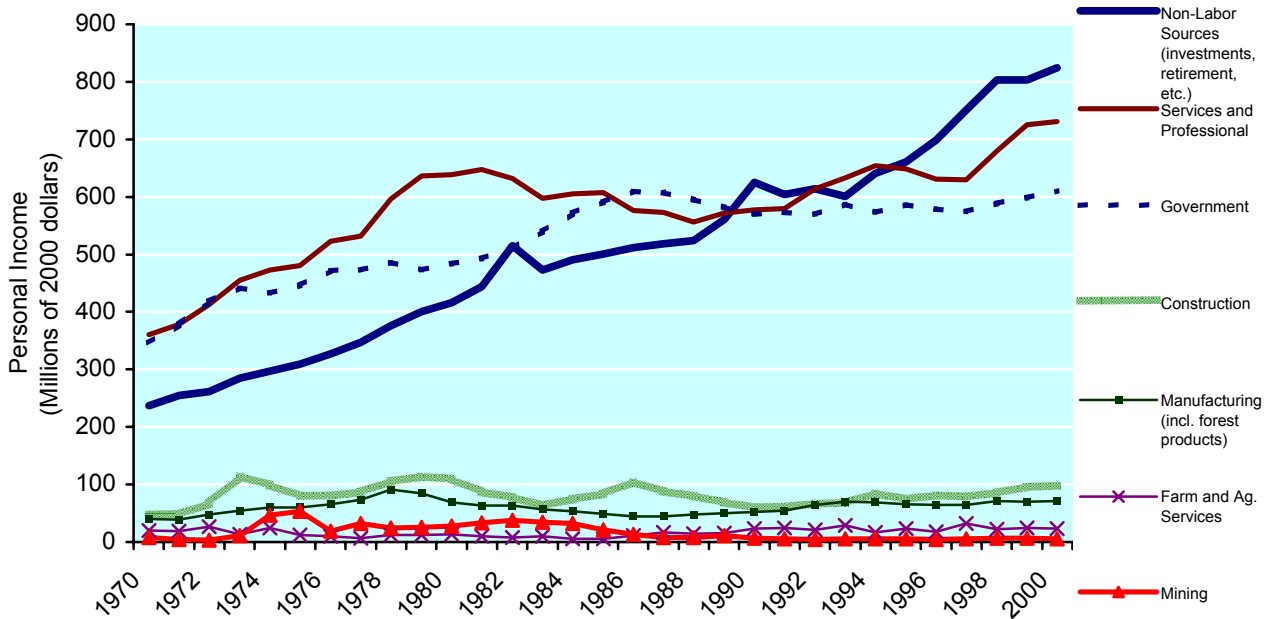
- The majority of the growth in government employment has been in state and local government.



Job Growth Compared to the State and Nation

- Over the last 30 years job growth in Laramie County, WY has been slower than the state and the same as the nation..





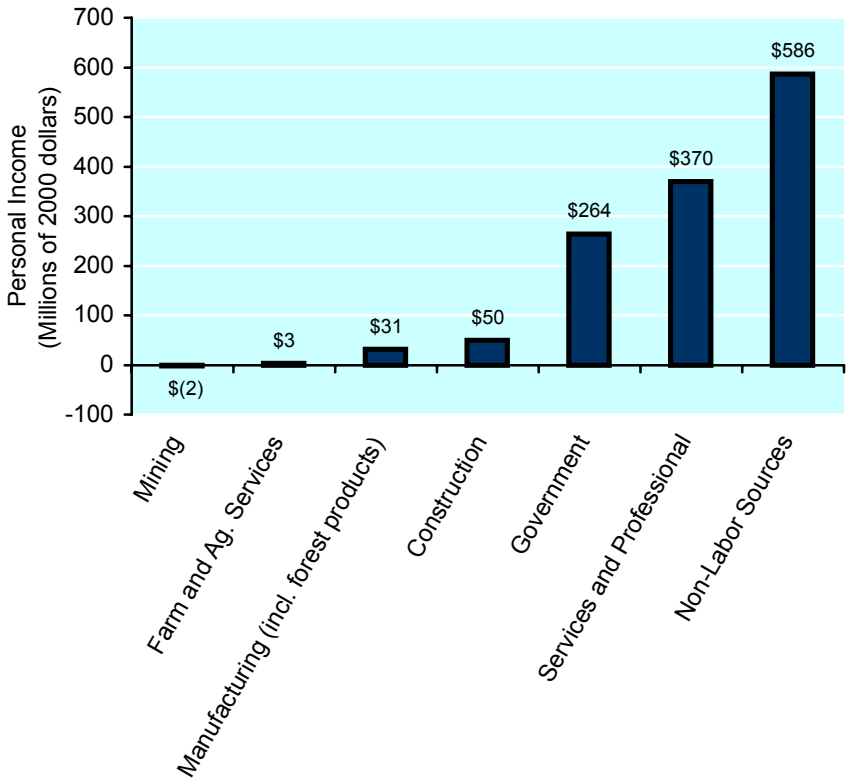
New Income by Type

All figures in millions of 2000 dollars	1970	% of Total in 1970	2000	% of Total in 2000	New Income 1970 to 2000	% of New Income
Total Personal Income*	1,029		2,291		1,262	
Farm and Agricultural Services	21	2.0%	24	1.0%	3	0%
Farm	19	1.8%	17	0.7%	-2	NA
Ag. Services	2	0.2%	7	0.3%	6	0%
Mining	8	0.7%	6	0.3%	-2	NA
Manufacturing (incl. forest products)	40	3.9%	71	3.1%	31	2%
Services and Professional	361	35.1%	731	31.9%	370	29%
Transportation & Public Utilities	121	11.8%	167	7.3%	46	4%
Wholesale Trade	26	2.5%	39	1.7%	13	1%
Retail Trade	80	7.8%	152	6.7%	72	6%
Finance, Insurance & Real Estate	38	3.7%	95	4.2%	57	5%
Services (Health, Legal, Business, Others)	96	9.3%	278	12.1%	182	14%
Construction	48	4.6%	98	4.3%	50	4%
Government	346	33.7%	611	26.7%	264	21%
Non-Labor Income	237	23.1%	824	36.0%	586	46%
Dividends, Interest & Rent	154	15.0%	558	24.3%	404	32%
Transfer Payments	83	8.1%	266	11.6%	183	14%

*The sum of the above categories do not add to total due to adjustments made for place of residence and personal contributions for social insurance made by the U.S. Department of Commerce.

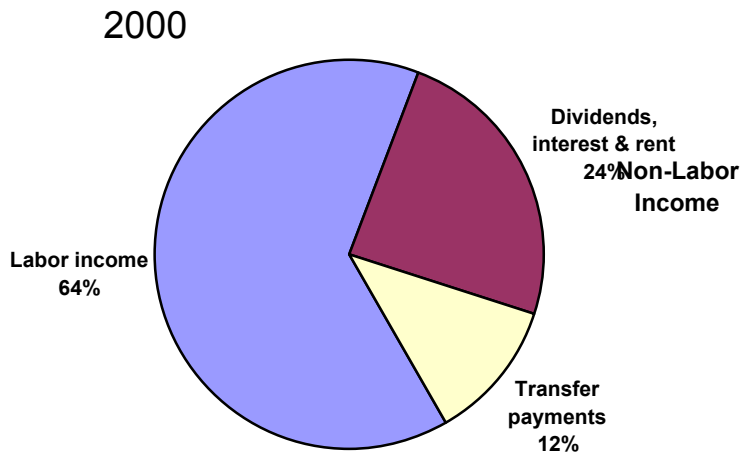
Net Change by Major Category

- From 1970 to 2000, Laramie County, WY added \$1,262 million in personal income, in real terms.
- Non-Labor Sources accounted for 46% of new income.
- The second fastest growth was in Services and Professional.



Income by Type 1970 & 2000

- In 1970, Non-Labor Income sources represented 23% of total personal income. By 2000, they comprised 36%.
- In 2000, Dividends, Interest and Rent represented 24% of total personal income. Transfer Payments comprised 12%.



Non-Labor Income includes Transfer Payments (primarily related to retirement) and Dividends, Interest and Rent (money earned from past investments).

Per Capita Income

- Per capita income, in real terms, increased by 12% from 1990 to 2000.

Per Capita Income									
All income in millions of 2000 dollars	1970		1980		1990		2000		% Change 90-00
	1970	% of Total	1980	% of Total	1990	% of Total	2000	% of Total	
Total Personal Income	1,029		1,664		1,838		2,291		25%
Non-Farm	1,010	98%	1,653	99%	1,819	99%	2,274	99%	25%
Farm	19	2%	11	1%	18	1%	17	1%	-10%
Population (Thousands)	56.6		69.0		73.2		81.7		12%
Per Capita Income	18,174		24,125		25,112		28,035		12%

Note: Population estimates from the Bureau of Economic Analysis vary slightly from those in the Census (Page P-3).

Sources of Labor Income

- In 2000, proprietor's income accounted for 6% of total personal income, compared to 5% in 1990. From 1990 to 2000, proprietor's income grew by 45%, in real terms. Wage and salary income during those years grew by 20%.

Sources of Labor Income									
All income in millions of 2000 dollars	1970		1980		1990		2000		% Change 90-00
	1970	% of Total	1980	% of Total	1990	% of Total	2000	% of Total	
Labor Sources									
Wage and Salary	700	68%	1,070	64%	996	54%	1,199	52%	20%
Other Labor Income	51	5%	159	10%	192	10%	195	9%	2%
Proprietor's	73	7%	114	7%	101	5%	146	6%	45%
Non-Labor Sources	237	23%	416	25%	625	34%	824	36%	32%
Dividends, Interest & Rent	154	15%	276	17%	429	23%	558	24%	30%
Transfer Payments	83	8%	140	8%	196	11%	266	12%	36%

Percentages do not add to 100 because of adjustments made by BEA, such as residence, social security, and others.

- From 1990 to 2000 Non-Labor income sources grew by 32%.

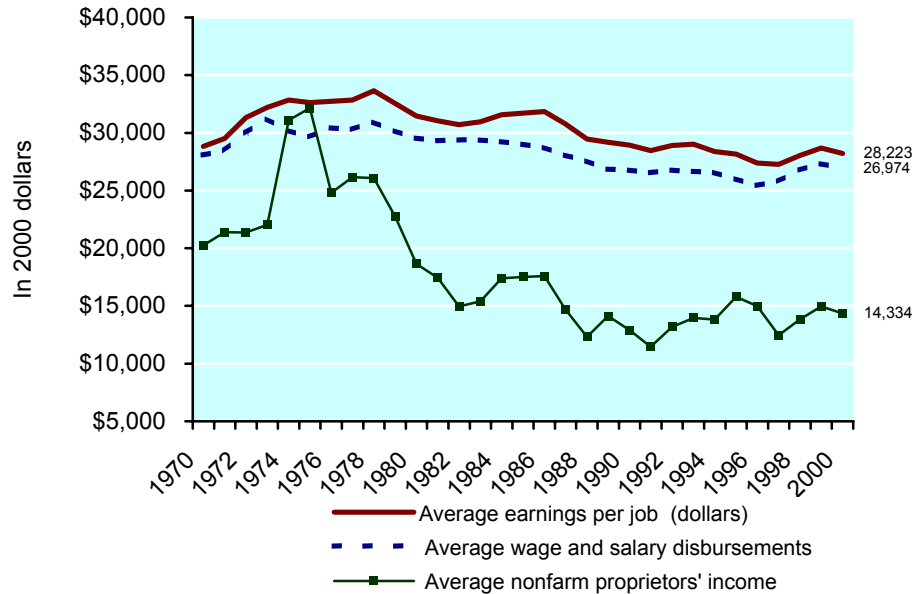
Wage and salary is monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such as 401(K) plans.

Other labor income is payments by employers to privately administered benefit plans for their employees, the fees paid to corporate directors, and miscellaneous fees. The payments to private benefit plans account for more than 98 percent of other labor income.

Proprietors is income of sole proprietorships, partnerships and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

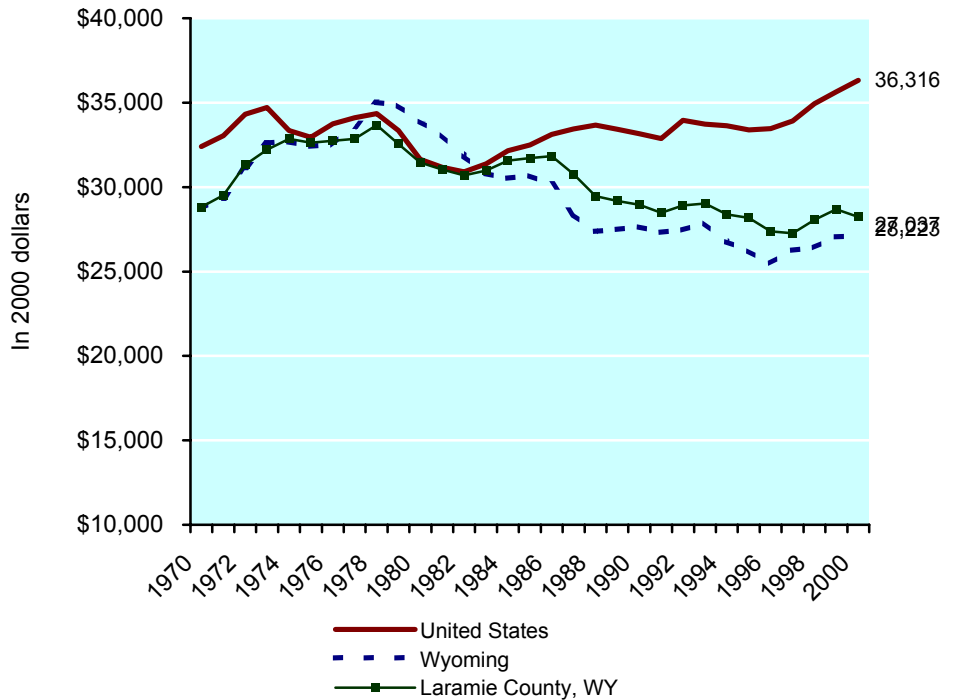
Average Earnings Per Job

- Average earnings per job in Laramie County, WY, in real terms, have fallen from \$28,826 in 1970 to \$28,223 in 2000.



Average Earnings Compared to State and Nation

- In 1999, Average earnings per job in Laramie County, WY are higher than the state and lower than the nation.



Another Way to Look at Industry Groupings

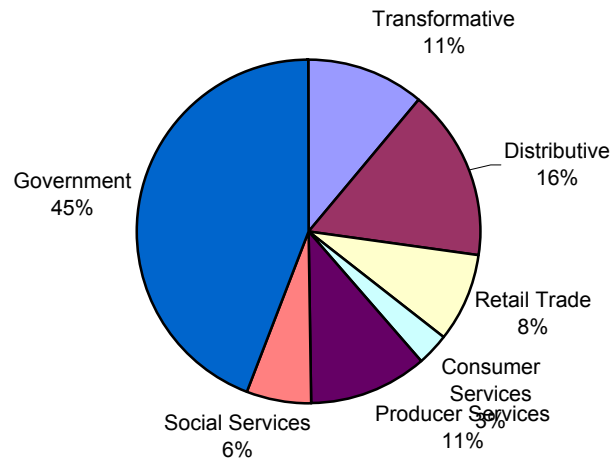
Another way to look at industry trends is to group industries differently, as shown in the table. This grouping allows a more detailed review of "service" sectors, which can be broken down into categories such as producer, consumer, social, and government services. Consumer services are generally low-paying. They include jobs in amusement and recreation, hotel and lodging, repair shops, motion pictures, household and personal services.

Social services include education and health care. Government services include state and local government, military, as well as federal employees, and public lands agencies. Producer services are defined as those services that are part of goods production and they include some of the higher paying sectors, such as finance, insurance, real estate, legal and business services, membership organizations, and engineering and management services.

Labor Income by Industry Grouping

- In 1990, the largest two industry groupings were in Government and Distributive. The largest two "service" types were Government and Producer Services.

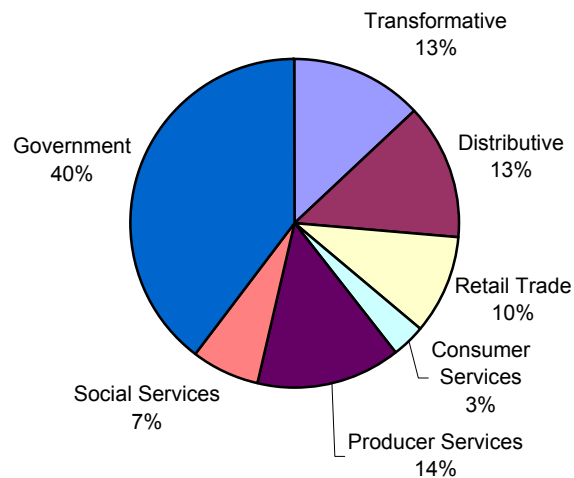
1990



Labor Income by Industry Grouping

- In 2000, the largest two industry groupings were in Government and Producer Services. The largest two "service" types were Government and Producer Services.

2000



Another Way to Look at Industry Groupings

Personal Income Change by Category 1990 to 2000

The largest contributors to new personal income from 1990 to 2000 in real terms, were:

- The fastest growth was in the Producer Services sectors; 53% growth.

- The second fastest growth was in the Retail Trade sectors; 43% growth.

- The third fastest growth was in the Transformative sectors; 40% growth.

Personal Income					
All figures in thousands of 2000 dollars.	1990	2000	New Income	% Change	% of New Income
Total Personal Income	1,837,558	2,290,946	453,388	25%	
LABOR INCOME					
Transformative					
Agriculture	23,117	23,914	797		
Mining	6,895	5,854	-1,041		
Construction	60,294	97,941	37,647		
Manufacturing	51,860	71,172	19,312		
Total	142,166	198,881	56,715	40%	13%
Distributive					
Transportation & public utilities	180,502	166,562	-13,940		
Wholesale Trade	28,693	38,514	9,821		
Total	209,195	205,076	-4,119	-2%	NA
Retail Trade					
	106,790	152,381	45,591	43%	10%
Consumer Services					
Hotels & Other Lodging	13,855	16,679	2,824		
Personal Services	7,899	8,859	960		
Household Services	3,292	3,433	141		
Repair Services	9,934	14,995	5,061		
Motion Pictures	659	948	289		
Amusements & Recreation	3,275	4,581	1,306		
Total	38,914	49,495	10,581	27%	2%
Producer Services					
Finance, Insurance & Real Estate	68,875	95,109	26,234		
Legal Services	25,212	25,963	751		
Business Services	22,262	58,900	36,638		
Engineering & Management Service	15,092	27,523	12,431		
Membership Organizations	11,673	11,671	-2		
Total	143,114	219,166	76,052	53%	17%
Social Services					
Health Services	65,373	83,661	18,288		
Social Services	7,457	15,196	7,739		
Educational Services	2,986	2,951	-35		
Total	75,815	101,808	25,993	34%	6%
Government Services					
Federal, Civilian	134,452	142,596	8,144		
Military	174,598	178,407	3,809		
State and Local	260,147	289,680	29,533		
Total	569,197	610,683	41,486	7%	9%

Note: The sum of the above categories does not add to total because non-labor income is not included. See page P-9 for non-labor income data.

The term "Non-Labor Income" is also referred by some economists as "Non-Earnings Income". It consists of Dividends, Interest and Rent (collectively often referred to as money earned from investments) and Transfer Payments (payments from governments to individuals, age-related, including Medicare, disability insurance payments, and retirements).

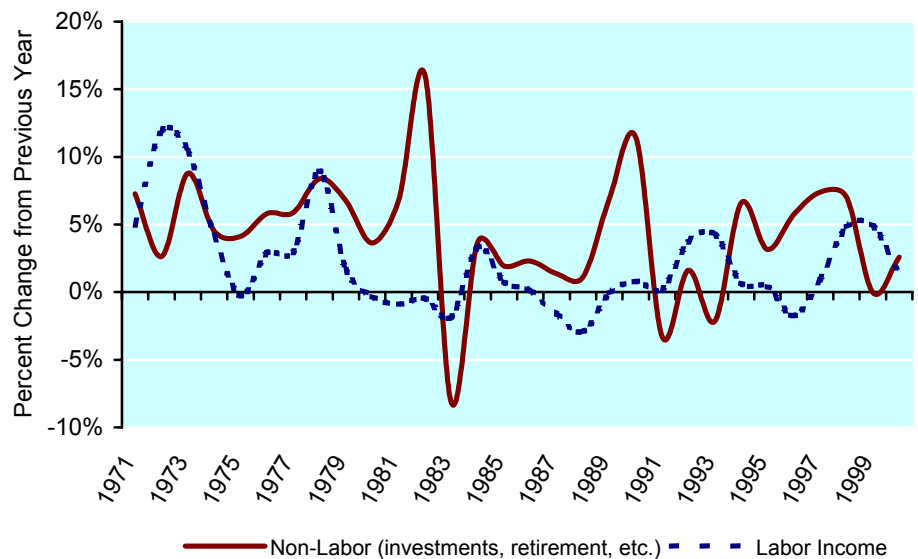
(See methods section for definitions and further explanations.)

Components of Transfer Payments

All figures in millions of 2000 dollars	1970	% of Total TP	1980	% of Total TP	2000	% of Total TP	New Payments 1970 to 2000	% of New Payments
Total transfer payments	83.4		139.8		266.3		182.9	
Government payments to individuals	76.8	92%	129.3	92%	249.6	94%	172.8	94%
Retirement & disab. insurance benefit payments	45.7	55%	81.7	58%	136.1	51%	90.5	49%
Medical payments	8.67	10%	20.41	15%	72.80	27%	64.1	35%
Income maintenance benefit payments ("welfare")	7.8	9%	11.9	8%	19.4	7%	11.6	6%
Unemployment insurance benefit payments	1.9	2%	4.1	3%	3.3	1%	1.4	1%
Veterans benefit payments	12.1	14%	10.1	7%	15.6	6%	3.5	2%
Federal educ. & trng. asst. pay. (excl. vets)	0.6	0.8%	1.2	0.8%	2.0	0.7%	1.4	1%
Other payments to individuals	0.1	0.1%	0.1	0.0%	0.2	0.1%	0.1	0%
Payments to nonprofit institutions	4.3	5%	6.6	5%	10.7	4%	6.4	3%
Business payments to individuals	2.3	3%	3.9	3%	6.0	2%	3.7	2%

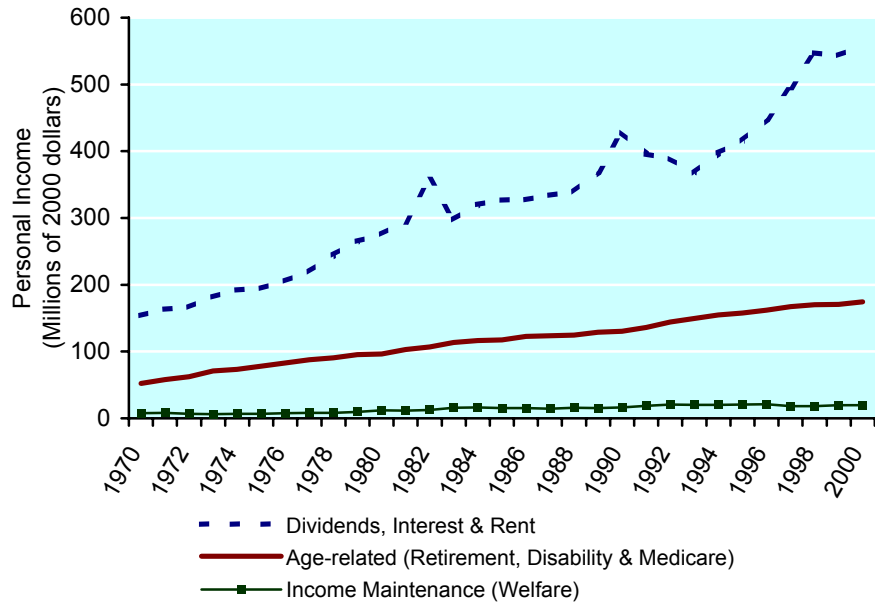
Labor vs. Non-Labor Income Stability

- Over the last 30 years Non-Labor Income sources have had a stabilizing effect relative to the frequent fluctuations of Labor Income sources in most areas.



Trends in Non-Labor Income by Type

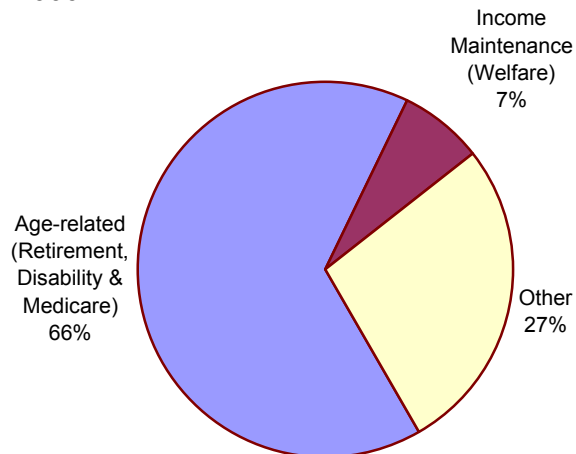
- The largest components of Non-Labor Income are from Dividends, Interest & Rent (i.e. money earned from past investments).
- In 2000 welfare represented 7 percent of transfer payments, and less than one percent of total personal income. This is down slightly from 1980 and down from 1970.



Components of Transfer Payments

- In 2000, 65% of Transfer Payments were from age-related sources (retirement, disability, insurance payments, and Medicare) while 7% was from welfare.

2000



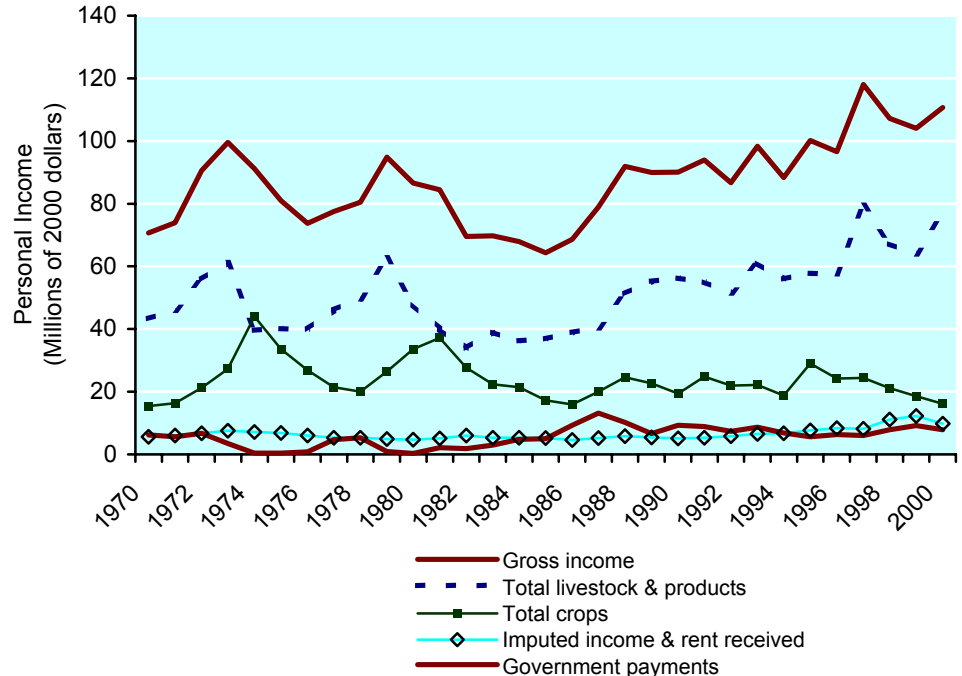
Gross Income, Expenses, and Net Income from Farming and Ranching

All figures in thousands of 2000 dollars	1970	% of Gross	1985	% of Gross	2000	% of Gross
Gross Income (Cash + Other)	70,677		64,333		110,706	
Cash Receipts from Marketings	58,757	83%	54,113	84%	93,076	84%
Livestock & Products	43,330	61%	36,836	57%	76,925	69%
Crops	15,427	22%	17,278	27%	16,151	15%
Other Income	11,921	17%	10,220	16%	17,630	16%
Government Payments	6,262	9%	5,046	8%	7,827	7%
Imputed Rent & Rent Received	5,659	8%	5,174	8%	9,803	9%
Production Expenses	63,088		71,932		94,568	
Realized Net Income (Income - Expenses)	7,589		(7,599)		16,138	
Value of Inventory Change	3,244	5%	(3,604)	-6%	(3,525)	-3%
Total Net Income (Inc. corporate farms)	10,834		(11,203)		12,613	

Farm Income by Category

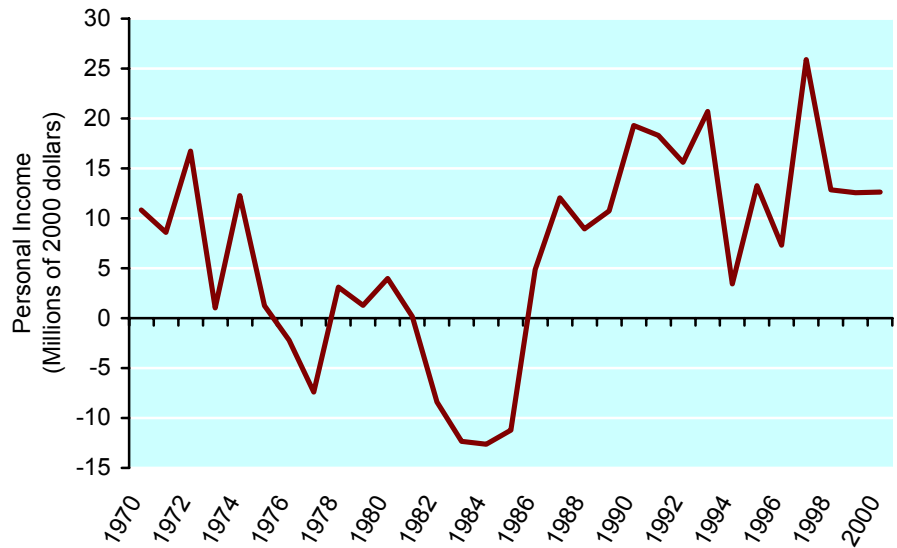
(Includes Ranching)

- In 1970, 61% of gross farm income was from livestock, while 22% was from crops. By 2000, 69% percent of gross income was from livestock, and 15% percent from crops.
- Income from government payments has dropped from 9% of gross in 1970 to 7% in 2000.



Net Farm Income

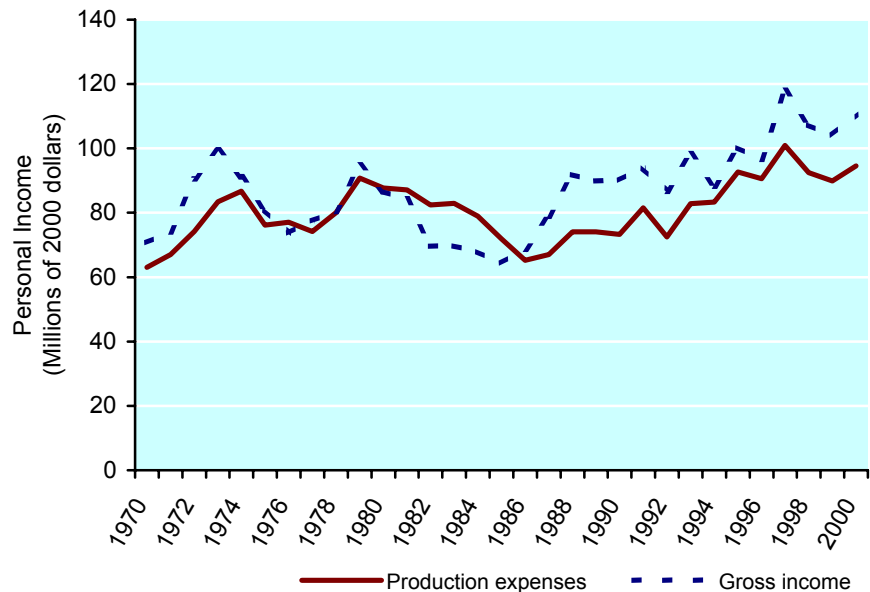
- Total net income from farming and ranching in Laramie County, WY, in real terms, dropped from \$10.8 million in 1970 to -\$11.2 million in 1985, and then rose to \$12.6 million in 2000.



Net farm income can be counted as positive by the Department of Commerce, even with slim margins, because the value of inventories may rise.

Gross Income vs. Production Expenses

- In 1970 Gross Farm Income exceeded Production Expenses by \$8 million.
- By 2000 Gross Farm Income minus Production Expenses (realized net income) equaled \$16.1 million.

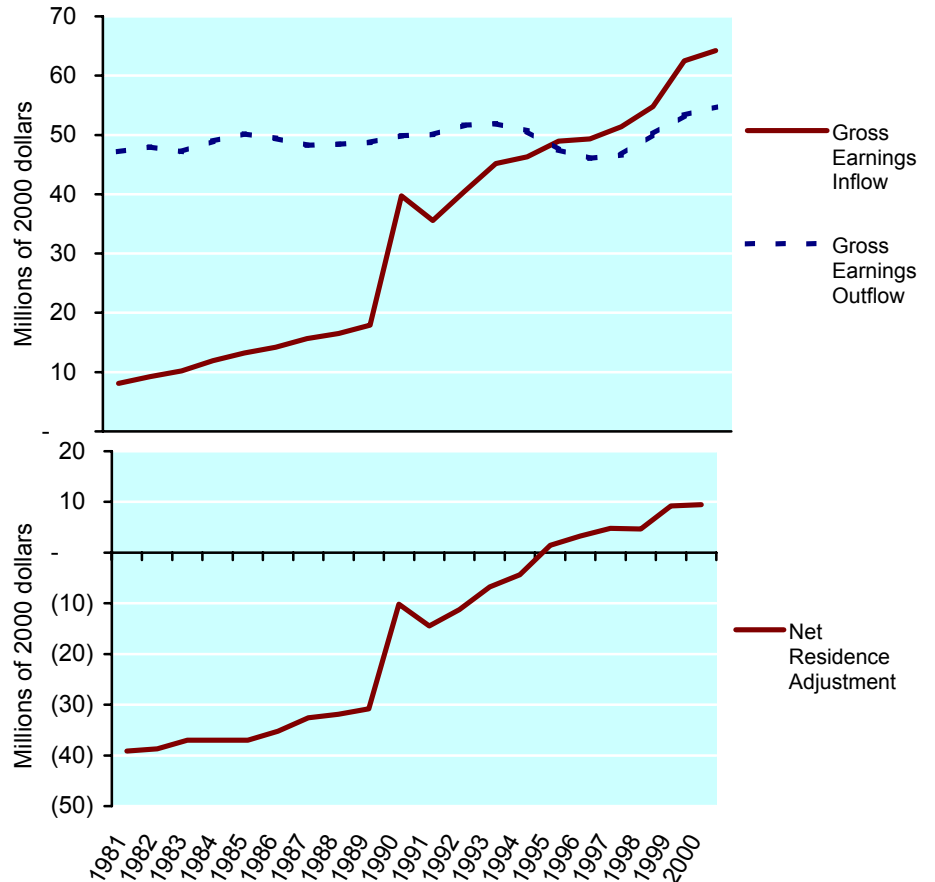


The Bureau of Economic Analysis (BEA) reports personal income in terms of location of residence. BEA calculates how much money is earned in the county by people living outside the county (Total Gross Earnings Outflow) and it calculates how much money is brought into the county by residents who work outside of the county (Total Gross Earnings Inflow). Subtracting one from the other gives the Net Residence Adjustment. The Inflow and Outflow Trends indicate whether the county is closely tied to others in terms of commuting.

Inflow & Outflows

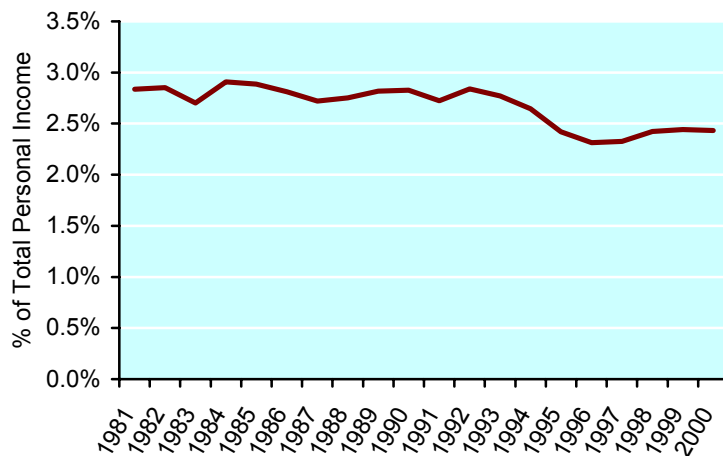
- Inflow outpaces Outflow. (See definitions above.)

- A positive Net Residential Adjustment indicates out-commuting for work to adjacent counties.



Outflows as a Percent of Total Personal Income

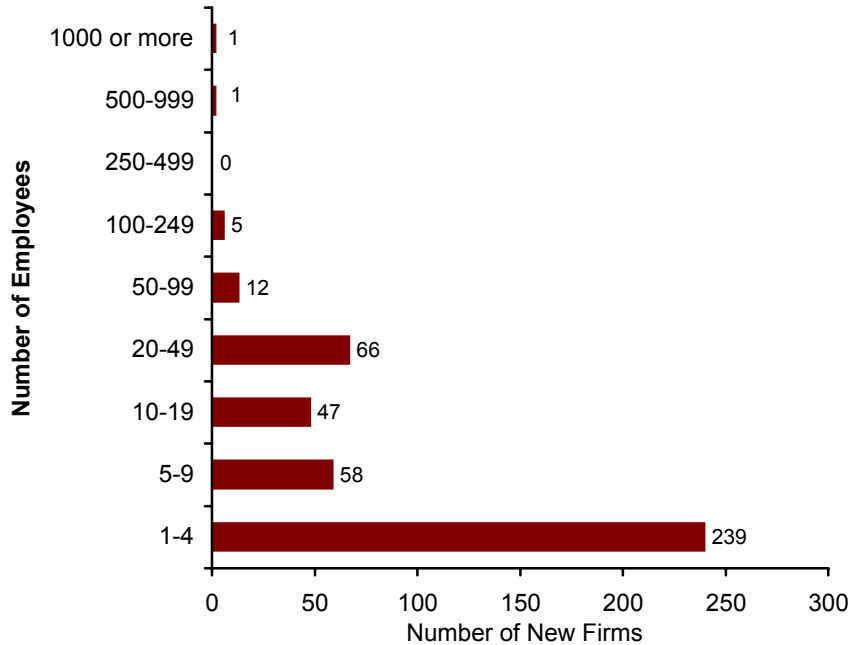
- In 2000, outflow represented 2.4% of total personal income in Laramie County, WY, down from 2.9% during the 1980's.



In its annual report *County Business Patterns*, the Bureau of the Census lists employment by the size and type of employer. These statistics are useful to help determine what size of business, large or small, are adding most of the new jobs.

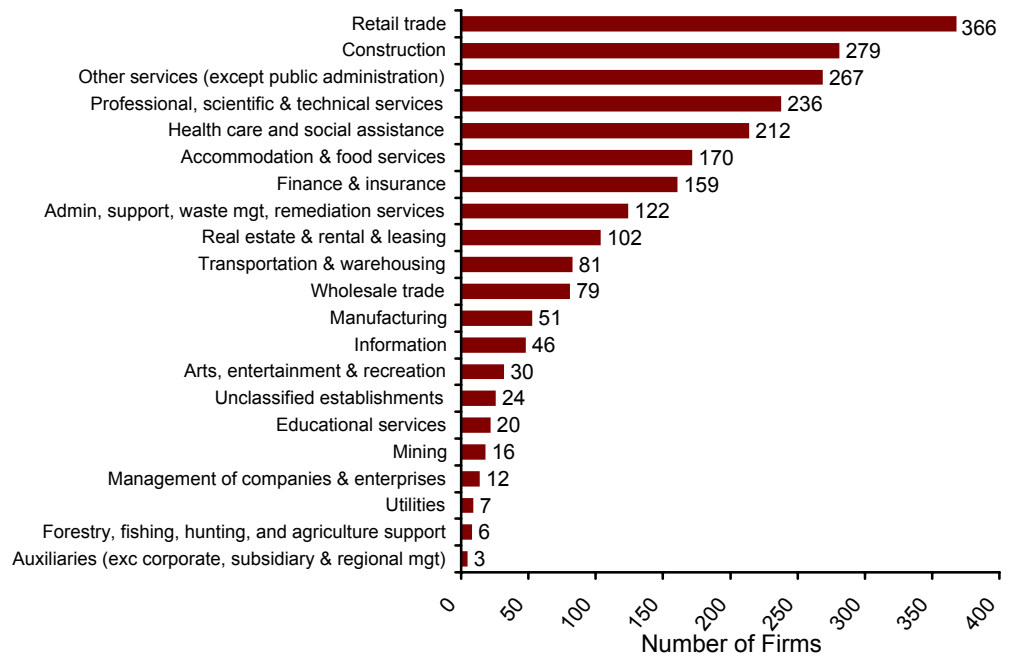
New Firms by Employment Size 1990 to 2000

- The majority of new businesses established in Laramie County, WY from 1990 to 2000 have been small, with fewer than 20 employees.
- The largest growth has been in firms of 1-4 employees, with 239 new businesses.



Number of Firms by Major Category in 2000

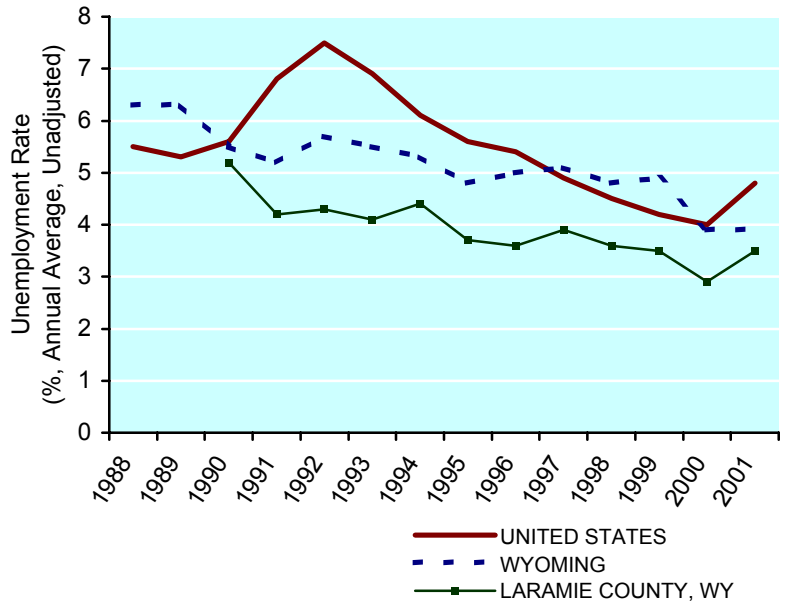
- The majority of firms are in Retail trade (366 firms) followed by Construction (279 firms), and Other services (except public administration) (267 firms).



Note: Data for this page was obtained from *County Business Patterns* (CBP), which counts only wage and salary employment. Therefore the self-employed ("proprietors" in previous sections of this profile) are not counted, and therefore total employment is underestimated. Also, data on this page was reported by CBP using the NAICS system. Previous pages used data from REIS, which uses the SIC system. See Methods Section for a discussion on the transition from SIC to NAICS.

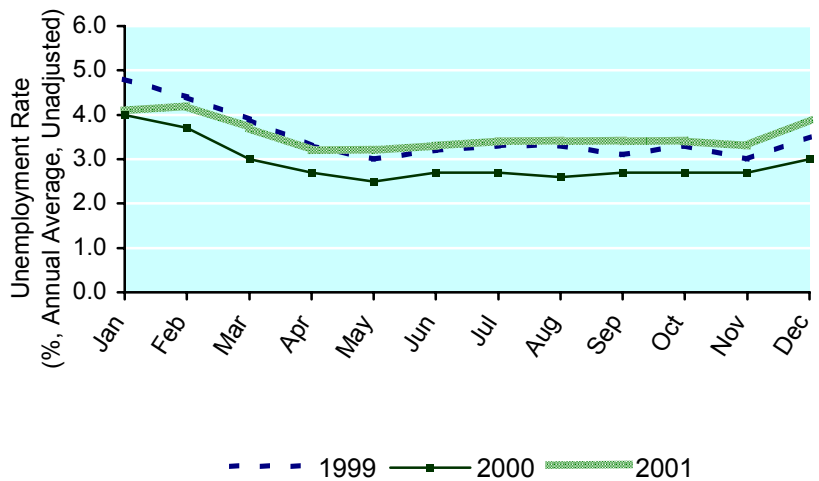
Annual Average Unemployment Rate Comparing County to State

- In 2001, the unemployment rate in Laramie County, WY was 3.5%, compared to 3.9% for the state and 4.8% for the nation.



Unemployment Rate Seasonality

- This graph illustrates the seasonal variation in the unemployment rate over the last three years. In 2001, the unemployment rate varied from a low of 3.2% to a high of 4.2%



APPENDICES

Data Sources

Data for this profile were obtained from four sources:

- Regional Economic Information System (REIS CD-ROM) of the Bureau of Economic Analysis, US Department of Commerce.
- Bureau of Labor Statistics, US Department of Labor.
- *County Business Patterns*, Bureau of the Census, US Department of Commerce.
- Bureau of Census, US Department of Commerce.

The data in this profile is organized to show long-term trends at the county level. We used this method and geographic scale for several reasons: (1) trend analysis provides a more comprehensive view of change than spot data for select years, (2) the most reliable information on long-term employment and income trends is available at the county level, and (3) communities within counties rarely function as economic units themselves. Finally, even though in many areas the most accurate geographic scale to understand economic changes may be at the multi-county or regional level, county-level data is useful in the context of existing political jurisdictions, such as county commissions and planning departments. The list below contains the World Wide Web sites and telephone numbers for the databases used in this report:

Bureau of Economic Analysis:
<http://www.bea.doc.gov>; Tel. 202-606-9600

Bureau of Labor Statistics:
<http://stats.bls.gov:80/blshome>; Tel. 202-606-5886

Bureau of Census:
<http://www.census.gov>; Tel. 303-969-7750

Oregon State University, Government Information Sharing Project:
<http://govinfo.library.orst.edu>; Tel. 541-737-4514.

University of Virginia, Geospatial and Statistical Data Center:
<http://fisher.lib.virginia.edu>; Tel. 804-982-2630

Use of Federal Rather than State Data Bases

Data from state agencies was not used for this profile. Many of the state and local sources of data do not include information on the self-employed or on the importance of non-labor income, such as retirement income and money earned from past investments. In many counties this can result in the underestimation of employment and total personal income by at least one third. The REIS disk of the Bureau of Economic Analysis contains the most robust data set and for this reason it was used as the primary source.

The only disadvantage of the REIS dataset is it's not as recent; 1999 being the latest for REIS, while state data sources provide data for as recent as 2000 and in some instances 2001. By providing long-term trends data, from 1970 to 1999, having the most recent data is less important than being able to discern where the county's economy was, and the direction in which it is headed in recent years.

The Standard Industrial Classification (SIC) System

Employment and income information is organized by the US Department of Commerce according to the Standard Industrial Classification (SIC) code. Industries are classified in broad categories (e.g., Farm), sub-categories (e.g., Agricultural production - crops), and progressively finer levels of detail (e.g., Ag. Production – cash grains). For a detailed description of SIC codes consult *The Standard Industrial Classification Manual* (National Technical Information Service, order no. PB-100012, Tel. 703-487-4600).

Services

Since much of the growth in labor earnings in the US economy over the last two decades has been in “services,” it should be noted that the term is defined in various ways by different researchers. Some economists define services broadly as “all output that does not come from the four goods-producing sectors: agriculture, mining, manufacturing, and construction.”¹ The US Department of Commerce defines services more narrowly as major groups 70-89 of the SIC code.² However, even their restricted classification includes a wide variety of sectors, ranging from hotels and lodging, and social services to business services, and engineering and management services.

¹ E. Ginzberg and G.J. Vojta. 1981. “The Service Sector in the US Economy.” *Scientific American*. 244 (3): 48-55.

² SIC codes 70-89 are: Hotels, Lodging and Other Places, Personal Services, Business Services, Auto Repair, Miscellaneous Repair Services, Motion Pictures, Amusement and Recreation Services, Health Services, Legal Services, Educational Services, Social Services, Museum Services, Museums, Botanical, and Zoological Services, Engineering and Management Services, Private Households, and Services Not Elsewhere Classified.

In this profile, we define services broadly as “Services and professional” industries, and then also into categories -- such as producer, consumer, social and government services -- to gain a clearer picture of where service growth is taking place. We use the term Services and Professional to underscore an important point: service occupations are not just “hamburger flippers and maids,” but rather consist of a combination of high-paying and low-paying professions, mixing physicians with barbers, and chambers maids with architects and financial consultants.

According to economist Lester Thurow, “Services is simply too heterogeneous to be an interesting category. The real issue is not the growth of services but whether the economy is making a successful transition from low-wage, low-skill industries ... to high-wage, high-skill industries.”¹ One way to gauge this is to follow the long-term trends in average earnings per job.

A Transition from SIC system to NAICS:
An Important Precaution on the Interpretation of Economic Trend Data.

Most of the historic data, from 1970 to 1999, used in this profile is based on industry data that is organized by the U.S. Department of Commerce using the Standard Industrial Classification (SIC) system. In the next few years, depending on the agency, data will be organized according to a new system, called the North American Industry Classification System (NAICS, pronounced “nakes”). In this profile, only the section called Business Establishments, which uses data from *County Business Patterns*, is organized according to the NAICS system.

The NAICS system is an improvement to the SIC system in several ways: first, businesses that use similar processes to produce goods or services are classified together. Previously, under the SIC system, some businesses were classified on the basis of their production processes while others were classified under different principles, such as class of consumer. Second, NAICS is a flexible system that will be updated every five years in order to keep pace with changes in the economy. Third, the NAICS system recognizes the uniqueness and rising importance of the “information economy,” and provides several new categories that are new, such as cable program distributors, and database and directory publishers. Finally, and perhaps the most useful, the NAICS system provides seven sectors to better reflect services-producing businesses that were previously combined into one generic SIC division (the Services division). This new system allows the data user to differentiate more clearly between what was previously often lumped under the general heading of “services,” into categories such as arts and entertainment; education; professional, scientific and technical services; health care and social assistance, among others.

Arguably the most important change of NAICS is the recognition of hundreds of new businesses in the economy. NAICS divides the economy into 20 broad sectors rather than the SIC’s 10 divisions as seen in the table below. Creating these additional sector-level groupings allows NAICS to better reflect key business activities as well as chronicle their changes.

¹ Lester Thurow, *The Future of Capitalism* (New York: William and Morrow and Company), p. 71.

SIC Divisions vs. NAICS Sectors

<i>SIC Divisions</i>	<i>NAICS Sectors</i>
• Agriculture, Forestry, and Fishing	• Agriculture, Forestry, Fishing and Hunting
• Mining	• Mining
• Construction	• Construction
• Manufacturing	• Manufacturing
• Transportation, Communications, and Public Utilities	• Utilities • Transportation and Warehousing
• Wholesale Trade	• Wholesale Trade
• Retail Trade	• Retail Trade • Accommodation and Food Services
• Finance, Insurance, and Real Estate	• Finance and Insurance • Real Estate and Rental and Leasing
• Services	• Information • Professional, Scientific, and Technical Services • Administrative and Support and Waste Management and Remediation Services • Educational Services • Health Care and Social Assistance • Arts, Entertainment, and Recreation • Other Services (except Public Administration)
• Public Administration	• Public Administration
• None (previously, categories within each division)	• Management of Companies and Enterprises

Non-Labor Income

Non-labor income is a mix of Dividends, Interest, and Rent (money earned from past investments), and Transfer Payments (government payments to individuals). Private pension funds (e.g. 401(K) plans) are not counted as part of transfer payments.

Some data sources, such as “Section 202” data available from state unemployment insurance records and reported by the Bureau of Labor Statistics, do not report non-labor income. The Bureau of Economic Analysis (BEA), on the other hand, tracks non-labor income. In order to understand the actual growth (labor and non-labor) of personal income, the REIS/BEA data set must be used, and this is what was used for this profile.

Disclosures

Some data, such as employment and income figures in counties with small economies, are not available because of confidentiality restrictions. In order to protect information about individual businesses, data are sometimes suppressed or, in the case of the publication *County Business Patterns*, a range of values are given instead of a specific value. Generally, the smaller the geographic level of analysis or the smaller the economy under examination the higher the chances that industry-specific information will be suppressed.

In some of the profiles a few disclosure restrictions were encountered. Sometimes *County Business Patterns* data was used to estimate data where disclosures exist in the REIS/BEA database. In other instances the missing data was left blank, particularly if doing so has little effect on the ability to discern long-term trends. In other cases, where data was missing for one or two years, a rolling average was used to estimate the data gaps. In each case where disclosures were estimated, annotations were made in the Excel files.

Adjustments from Current to Real Dollars

Because a dollar in the past was worth more than a dollar today, data reported in current dollar terms should be adjusted for inflation. The US Department of Commerce reports personal income figures in terms of current dollars. All income data in this profile were adjusted to real (or constant) 2000 dollars using the Consumer Price Index.

Unemployment Rate

Unemployment is generally available as seasonally unadjusted or adjusted, and there is an advantage to using adjusted data. From the Bureau of Labor Statistics web site (<http://stats.bls.gov/lauseas.htm>), an explanation of why adjusted figures should be used, whenever possible: “Over the year, the size of the Nation's labor force, the levels of employment and unemployment, and other measures of labor market activity undergo sharp fluctuations due to seasonal events including changes in weather, harvests, major holidays, and the opening and closing of schools. Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make it easier to observe the cyclical, long term trend, and other non-seasonal movements in the series.”

Unadjusted numbers were used in this profile in order to obtain an annual average and because county-level data are not available in adjusted format from the Bureau of Labor Statistics web site. This may introduce some error in counties where the size of the workforce fluctuates seasonally, such as tourist destination areas.

Farm Income Footnote:

Note that farm income figures on pages 17 and 9 are not the same. In brief, the figures on page 17 (see table) reflect income from farming *enterprises* (farm proprietors and corporate income), while the farm figure on page 9 (see table) indicates personal income earned by *individuals* (both proprietors, and wage and salary employees) who work in farming.

Note also that the term “farm” includes farming and ranching, but not agricultural services such as supplying soil preparation services and veterinary and other animal services – see table on page 9.

Farm income on page 17 is calculated as follows:

Total cash receipts and other income
 less: Total production expenses
 Realized net income
 plus: Value of inventory change
 Total net income including corporate farms

Farm income on page 9 is calculated as follows:

Total net income including corporate farms
 less: Net income of corporate farms
 plus: Statistical adjustment
 Total net farm proprietors' income
 plus: Farm wages and perquisites
 plus: Farm other labor income
 Total farm labor and proprietors' income

Income:

Total Personal Income = private earnings, income from government and government enterprises, dividends, interest, and rent, and transfer payments plus adjustments for residence minus personal contributions for social insurance.

Wage and salary = monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such as 401K plans.

Other labor income = payments by employers to privately administered benefit plans for their employees, the fees paid to corporate directors, and miscellaneous fees. The payments to private benefit plans account for more than 98 percent of other labor income

Proprietors' income = income from sole proprietorships, partnerships, and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Transfer Payments:

Transfer payments = payments to persons for which they do not render current services. As a component of personal income, they are payments by government and business to individuals and nonprofit institutions.

Retirement & disab. insurance benefit payments = Old-Age, Survivors, and Disability Insurance payments (Social Security), Railroad Retirement and Disability payments, Federal Civilian Employee & Disability Payments, Military Retirement, and State and Local Government Employee retirement payments.

Medical payments = Medicare, public assistance medical care and CHAMPUS payments.

Income maintenance (welfare) = Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), Food Stamps, and Other Income Maintenance Payments, such as emergency assistance, foster care payments and energy assistance payments.

Unemployment insurance benefit payments = unemployment compensation for state and federal civilian employees, unemployment compensation for railroad workers, and unemployment compensation for veterans.

Veterans benefits = primarily compensation to veterans for their disabilities and payments to their survivors.

Federal education and training assistance = Job Corps payments, interest payments on Guaranteed Student Loans, federal fellowship payments, and student assistance for higher education.

Other government payments = compensation of survivors of public safety officers and compensation of victims of crime. In Alaska this item includes Alaska Permanent Fund payments.

Payments to nonprofit institutions = payments for development and research contracts. For example, it includes payments for foster home care supervised by private agencies.

Business payments to individuals = personal-injury liability payments, cash prizes, and pension benefits financed by the Pension Benefit Guarantee Corporation.