Data and Methods

This research is a second annual report in a planned County Economic Tracker series focused on recent county economic dynamics. It presents trend data on four economic performance indicators—economic output (GDP), employment, the unemployment rate and home prices. In addition, this edition looks at a snapshot of the spatial patterns of wages and wage growth, adjusted for cost of living and inflation. Local economies are complex and their performance can be measured in several ways. These economic measures capture a more comprehensive view of the dynamics within an economy, from businesses’ ability to produce and hire people to labor and housing market conditions.

For economic performance data for each of the 3,069 county economies, please see the County Economic Tracker 2014 at www.naco.org/CountyEconomies

The County Economic Tracker 2014 provides data on county economic performance through 2014, calculated based on data purchased from Moody’s Analytics. The wage analysis employs average annual pay data from the U.S. Bureau of Labor Statistics (BLS), inflation data from the U.S. Bureau of Economic Analysis (BEA) and cost of living adjustment estimates based on regional price parities from the BEA or median gross rent from the U.S. Census Bureau. The goal is to get a timely perspective on recent economic performance.

\[^1\] The 2014 data are forecasts, which are subject to change without notice. This research uses purchased data from Moody’s Analytics, private data source widely used.
movements in county economies, trends that underlie changes in metropolitan and state economies and affect county governments. In addition, this analysis includes the latest periods of recession and recovery, as well as long-term trends for each indicator, identified for each county economy.

The *County Economic Tracker 2014* analyzes patterns for the 3,069 county economies. This research provides data only for the economies of the counties with county governments. The analysis examines county economies by Census regions and according to 2013 population size: large (above 500,000 residents), medium-sized (between 50,000 and 500,000 people) and small (below 50,000 residents). The goal of the population groups is twofold: to allow benchmarking of county economies with their peers and to minimize “apples and oranges” comparisons.

The analyzed time period covers 1990 to 2014 to capture county economic performance evolution before and since the latest U.S. recession and it is individualized to each county indicator:

- **2013-2014:** Growth rate (change for the unemployment rate) over the most recent year, based on annual estimates.

- **Recovery:** Trough year to 2014 for an indicator for a county economy. If a county economy had no recession on a specific indicator, the recovery period is from 2009 to 2014. It is possible that a county economy underwent recession and has not yet entered the recovery period for a specific indicator.

- **Recession:** The period between the pre-recession peak and the trough for an indicator for a county economy during the latest U.S. economic downturn. This
research counts a recession only when the difference between the pre-recession peak and the trough value is larger than one percent of the peak value. It is possible that no recession occurred for an indicator in some county economies during the latest U.S. economic downturn.

- **Long-term**: 1990 to the pre-recession peak year for an indicator for a county economy. This provides a benchmark to compare the current growth rates in a county economy.

**Definitions**

**Adjusted Average County Wage**: Average annual pay for a county economy, adjusted for cost-of-living. Average annual county pay reflects the total annual pay of employees covered by the state Unemployment Insurance (UI) programs in a county divided by the average monthly number of these employees. The total pay reflects salaries and other disbursements, including but not limited to bonuses, tips, the cash value of meals and lodging when supplied, and in some states, employer contributions to certain deferred compensation plans such as 401(k) plans and stock options. The U.S. Bureau of Labor Statistics is the source of the average county pay data. The adjustment for cost-of-living for 2012 was accomplished using the metropolitan and non-metropolitan Regional Price Parities (RPP) from the U.S. Bureau of Labor Statistics. The RPPs measure the differences in the price levels of goods and services across states and metropolitan areas for a given year. 2012 was the latest year available of RPP data at the time of this release.

**Adjusted Average County Wage Growth Rate, 2012-2013**: The 2012-2013 growth rate of average county wage, adjusted for the cost of living and inflation. Because 2013 RPPs
were not available at the time of this release, this research adjusted the 2012 and 2013 average county wages using a price index based on the median gross rent from the U.S. Census Bureau, the ACS 5 year estimates. For inflation adjustment, this research used the U.S. Personal Consumption Expenditures Price Index from the U.S. Bureau of Economic Analysis.

**Annualized Growth Rate**: Year-over-year growth rate of an indicator (economic output (GDP), jobs or home prices) over a specified period of time, showing how much an indicator would have grown annually if it increased at a steady rate over a certain period. The growth rates of county economic output (GDP) are inflation-adjusted.

**Average Annual Unemployment Rate**: The average of the county economy annual unemployment rates over a specified number of years.

**County**: The primary legal division of most states for which the U.S. Census Bureau presents data. It can have a county government or be an unorganized area bearing county designations. In Louisiana, a county is known as parish. In Alaska, the county equivalent entities are the organized boroughs, city and boroughs, municipalities and census areas. The state of Alaska and the U.S. Census Bureau created the Alaska census areas for statistical purposes. Four states (Maryland, Missouri, Nevada and Virginia) have independent cities that the U.S. Census Bureau treats as equivalent entities for purposes of data presentation. The counties in Connecticut and Rhode Island and nine counties in Massachusetts do not have any longer county governments. The U.S. Census Bureau includes them among counties to provide comparable geographic units at the county level for these states. There are 3,144 counties and county equivalents in the United States.
County Economy: The economy of a county with county government.

County Government: An organized entity with governmental character, sufficient discretion in the management of its own affairs to be an independent governmental unit and covering the area of a county or county equivalent. Depending on the state, it can be known also as parish government or borough government. This study considers as county governments also the following types of local governments defined by the U.S. Census Bureau: consolidated county-city entities, areas designated as metropolitan governments, cities administering functions performed by county governments and areas with certain types of county offices, but included as part of another government. There are 3,069 county governments in the United States.

Economic Output (gross domestic product - GDP): Total value of goods and services produced by a county economy, also known as GDP. Data source: Moody’s Analytics

Jobs: Total wage and salary jobs, whether full or part-time, temporary or permanent in a county economy. It counts the number of jobs, not employed people, for all employers in a county economy, not only for the county government. Data source: Moody’s Analytics

Large County Economies: The economies of counties with more than 500,000 residents in 2013.

Median Home Sales Prices: Median sales prices of existing single-family homes. Data source: Moody’s Analytics

Medium-sized County Economies: The economies of counties with populations between 50,000 and 500,000 people in 2013.
Peak: The highest annual value of a county economy indicator (the lowest for the unemployment rate) between 2002 and 2009. 2002 is the first year after the end of the previous U.S. recession and 2009 marks the end of the latest U.S. recession. The National Bureau of Economic Research (NBER) determines the end of U.S. economic recessions.


Small County Economies: The economies of counties with less than 50,000 residents in 2013.

Trough: The lowest annual value of a county economy indicator (the highest for the unemployment rate) between the peak and 2013.

Unemployment Rate: The proportion of the civilian labor force that is unemployed. Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior four weeks and are currently available for work. Data source: Moody’s Analytics