

# GLOSSARY

**Civilian Labor Force.** All civilians in the noninstitutional population, sixteen years of age and older, who are classified as either employed or unemployed.

**Employed.** All civilians who, during the week including the twelfth of the month, (a) did any work for pay or profit (minimum: one hour's work); or (b) were unpaid family workers who worked fifteen hours or more without pay in a family-owned enterprise operated by someone in their household; or (c) had jobs or businesses from which they were temporarily absent for noneconomic reasons such as illness, bad weather, vacation, labor-management dispute, or personal reasons, whether or not they were seeking other jobs. Each employed person is counted only once.

**Unemployed.** All civilians who were not employed during the week including the twelfth of the month and made specific efforts to find a job within the previous four weeks and were available for work during the week except for temporary illness. Also included as unemployed are those who did not work at all, were available for work, and (a) were waiting to be called back to a job from which they had been laid off or (b) were waiting to report to a new wage or salary job within thirty days.

**Rate of Unemployment.** The total number of unemployed persons expressed as a percentage of the employed and unemployed, i.e., as a percentage of the civilian labor force.

**Average Weekly Wages.** The total annual payroll for supervisory as well as nonsupervisory workers divided by the average annual employment (sum of employment counts for each of the twelve months divided by twelve) and this result divided by fifty-two.

**Average Weekly Hours.** Represents total number of hours worked (including overtime) or paid for (including paid holiday, vacation, and sick leave hours) during a week divided by number of employees. The averages are affected by amount of labor turnover during a week, changes in amount of overtime hours, and by changes in ratio of full-time or part-time employment.

**Average Hourly Earnings.** Represents payrolls divided by total number of hours worked or paid for (including paid holiday, vacation, sick leave hours) during period reported. Total payroll includes both straight-time and premium pay. The averages are influenced by the amount of premium pay, as well as by changes in composition of labor force, changes in wage rates, upgrading of employees, etc., and consequently should not be interpreted as wage rates.

**Average Weekly Earnings.** Derived by multiplying weekly hours by average hourly earnings. Includes premium wages for overtime and night shift work and payments made on piecework or incentive basis. The averages are affected by changes in length of work week, part-time work, stoppages for varying causes, labor turnover, and absenteeism.

**Reference Week of the Month.** Employment, payrolls, hours, and earnings data are based on reports from firms covering a pay period, usually the week that includes the twelfth of the month.

**Nonagricultural Employment.** Represents the number of full-time and part-time employees earning wages or salaries for the payroll period including the twelfth of the month. Included are persons on paid vacations and on paid sick leave. Workers

temporarily not earning wages because of labor-management disputes, layoffs, or other reasons are not reported as employed. Persons on the payroll of more than one establishment during the same reference week are reported more than once.

**Payrolls.** All wages and salaries paid to individuals in insured employment during the calendar year.

**Personal Income.** The income received by persons from all sources, before deductions for income and other personal taxes, but after deductions for individuals' contributions to Social Security, government retirement, and other social-insurance programs. It includes income received from business, Federal, State, and local governments, households, institutions, and foreign governments.

There are three basic types of income:

1. *Net labor and proprietors' income* includes wages and salaries (covering all employee earnings, including tips, bonuses, commissions, and payments in kind); supplementary types of labor income such as employer contributions to social insurance programs, compensation for injuries and pay while on military reserve duty; and the net business earnings of owners of unincorporated enterprises, including the independent professions and farms.
2. *Property income* includes rental income and the imputed rent of owner-occupied living quarters, dividends, interest, and royalties.
3. *Transfer payments* consist of receipts of persons from government and business for which no services are currently rendered, such as: retirement; disability and health insurance benefits; unemployment insurance payments; food stamps; veteran's benefits; Supplemental Security Income; relief payments; and military pensions.

There are three sources of income:

1. *Government:* Income from governmental wages, salaries, pensions, and unemployment benefits.
2. *Farm:* Income of proprietors, tenants, and employees from operation of privately owned farms.
3. *Private nonfarm:* All personal income other than government and farm.

**Personal Income Per Capita.** The total personal income of residents divided by the resident population as of July 1.

**Money Income.** The amount of income received before deductions for personal income taxes, Social Security, bond purchases, union dues, Medicare deductions, etc. Receipts from the following sources are not included as money income: money received from the sale of property (unless the recipient was engaged in the business of selling such property, in which case the net proceeds would be counted as income from self-employment); the value of income "in kind" such as free living quarters or food produced and consumed in the home; withdrawal of bank deposits; money borrowed; tax refunds; exchange of money between relatives living in the same household; and gifts and lump-sum inheritances, insurance payments, and other types of lump-sum receipts.

**Current and Constant Dollars.** Current dollar figures reflect prices prevailing during the specified period. Constant dollar figures are computed values that eliminate the effect of price changes and are derived from prices of a specified base period. The constant dollar values are obtained by dividing current dollar values for a given period by the price indexes for the same period.

## Metropolitan Statistical Area

**The 1990 Standard:** A metropolitan statistical area (MSA) is defined according to a set of detailed standards prepared by the Federal Committee on MSAs under the authority of the U.S. Office of Management and Budget. Under these standards, which were revised in 1990, areas are designated as an MSA in one of two ways: if there is a city of at least 50,000 population, or an urbanized area of at least 50,000 with a total metropolitan population of at least 100,000. MSAs are defined in terms of entire counties. In addition to the county containing the main city, an MSA also includes additional counties having strong economic and social ties to the central county based on 1990 Census commuting data. If an area has a population greater than one million and meets certain other specified requirements, it will now be termed a Consolidated Metropolitan Statistical Area (CMSA), consisting of major components recognized as Primary Metropolitan Statistical Areas (PMSAs).

**The 2000 Standard:** The U.S. Office of Management and Budget issued new standards, which replaced the 1990s Metropolitan Statistical Area concepts with a new **Core Based Statistical Area** (CBSA) concept. Like the 1990s MSA concept, designated areas consist of entire counties having strong economic and social ties with each other around an urban core based on Census 2000 commuting data. However, there are now two primary types of areas: the **Metropolitan Statistical Area** — which should not be confused with the 1990s Metropolitan Statistical Area concept described above — is a county or group of counties around at least one urban core with at least 50,000 people; and the **Micropolitan Statistical Area**, which is a county or group of counties around at least one urban core with between 10,000 and 49,999 people.

Two additional types of areas are based on the Metropolitan Statistical Areas and Micropolitan Statistical Areas. **Combined Statistical Areas** (CSA) are Core Based Statistical Areas with moderately strong commuting ties between the areas, but not so strong that the areas could be merged into a single area. If a Metropolitan Statistical Area has a single core with a population of at least 2.5 million people, it can be divided into **Metropolitan Divisions**. These Metropolitan Divisions consist of one or more counties representing an employment center plus other counties with strong commuting ties to the employment center.

The Office of Management and Budget designated the CBSAs on June 6, 2003. Statistical data referring to dates before that generally will be reported using the 1990s Metropolitan Statistical Area concepts. After a phase-in period that will vary by issuing agency, data referring to dates after that generally will be based on the CBSA designations. CBSA and MSA designations are listed in the Definitions and Abbreviations section of this book.

**North American Industrial Classification System (NAICS).** With the release of data in March 2003, NAICS replaced the Standard Industrial Classification (SIC) system and now serves as the new structure for classifying business activity in the United States. The SIC was developed in the 1930s, when the U.S. economy was manufacturing-dominated. Today's services-centered economy has rendered the classification structure of the SIC system obsolete, as the SIC often failed to adequately account for new and emerging industries. NAICS rectifies this shortcoming and, moreover, establishes consistent internal and international classification standards, meaning that, for the first time, industry data from Canada and Mexico can be compared with U.S. industry data. Some sectors or industries that share the same name under the SIC and NAICS will not have the same employment levels. For example, most publishing employment, which was classified as manufacturing under the SIC, has moved into a new NAICS sector called *Information*. Similarly, manufacturing headquarters, which were classified under

manufacturing in the SIC, are classified under *Management of Companies and Enterprises* under NAICS. Additional information about NAICS, including descriptions of the sectors, is presented in Glossary B.