Arts, Entertainment and Recreation Services
Sector Paper Presentation

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Tokyo, Japan

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Overview

- Sources
- Overview of Market
- Classification
- Turnover
- Prices
Sources

Turnover/Output Mini-presentations

- Measurement of Arts and Culture Industries in Canada - Greg Peterson
- Arts, Entertainment & Recreation Services - Richard McMahon, Ireland
- Turnover for Arts, Entertainment and Recreations Services in Japan - Mayumi Fujita

Discussant Comments

- John Murphy, US Census Bureau, facilitated discussion

Country Progress Reports
Overview of Market

Combination of public and private providers

Combination of market, non-market, and semi-market provision of services

Businesses provide a wide range of services and ancillary services

Funding sources vary
Industry Classification

Industry Classifications Reviewed

- ISIC Rev. 4: 7 industries*
- NACE Rev. 2.0: 12 industries*
- JSIC: 38 industries
- ANZSIC 2006: 12 industries
- NAICS United States: 23 industries

*Excluding gambling industries
Industry Classification

Content similar, specific details are different

For example:

• Common aggregates for creative and artistic activities; libraries, museums, and cultural activities; and sports, amusement, and recreation activities

• Many variations below the aggregates tailored to regional or national needs

One major scope difference: JSIC includes cinemas within this sector
Product Classification

CPC Ver. 2.0 28 subclasses
CPA 2008 68 subclasses
ANZSPC 9 products
NAPCS 128 products

Differences in the content and focus of products
Classifications Findings

Product - Different approaches

- CPC and CPA focus on broad services
  E.g., CPC services of performing artists
  CPA further splits into services of performing artists and support services for performing artists

- NAPCS identifies specific transaction based products: admissions, licensing of rights, concession revenue, parking fees, etc.

Products should identify measurable transactions to the extent possible to align meaningfully turnover and prices
<table>
<thead>
<tr>
<th>ISIC 9000</th>
<th>Industry turnover collected</th>
<th>18</th>
<th>Product $\geq$ CPC</th>
<th>3</th>
</tr>
</thead>
<tbody>
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<td>ISIC 9101</td>
<td>Industry turnover collected</td>
<td>13</td>
<td>Product $\geq$ CPC</td>
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</tr>
<tr>
<td>ISIC 9102</td>
<td>Industry turnover collected</td>
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<td>3</td>
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<td>ISIC 9103</td>
<td>Industry turnover collected</td>
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<td>Product $\geq$ CPC</td>
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</tbody>
</table>

Source: Voorburg Country Reports 2012 (21 reports)
Turnover

Measure turnover by industry or by product?
- Private activity – measurement is straight forward
- Public activity – harder to measure if provided below market prices (subsidies) or non-market provision (free)

Sources of Revenue
- Fees for service
- Tax expenditures, subsidies, gifts, grants, donations, endowment revenue
- Revenues from ancillary services

Unit to be Measured
- Services rendered

How to measure
- Revenue received for services
- Expense data as proxy for non-market (free) provision of service
- Mixtures - What should be included?
Turnover
Best Practices

1. Cover both private and public activity
2. Industry and product turnover using census or sample
3. Chose appropriate basis for measurement
SPPI

Very Little Coverage

Although there were no SPPI mini-presentations, the Country Detailed reports identified little activity for SPPIs

<table>
<thead>
<tr>
<th>ISIC</th>
<th>Countries with SPPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>9000, Creative arts, and entertainment</td>
<td>2</td>
</tr>
<tr>
<td>9101, Library and archives activities</td>
<td>0</td>
</tr>
<tr>
<td>9102, Museums and historical sites</td>
<td>1</td>
</tr>
<tr>
<td>9103, Botanical and zoological parks</td>
<td>0</td>
</tr>
<tr>
<td>9311, Operation of sports facilities</td>
<td>3</td>
</tr>
<tr>
<td>9312, Activities of sports clubs</td>
<td>2</td>
</tr>
<tr>
<td>9319, Other sports activities</td>
<td>1</td>
</tr>
</tbody>
</table>
Arts and Entertainment Activities

Future

- Hold mini-presentations on prices
- Current CPC details are heterogeneous – very different transactions aggregated together
- Clarify what should be included and excluded from turnover (concept, rule, etc.)
- ISIC appears adequate
- Consider separate review of lower level industries grouped by similar characteristics
Conclusion

- Arts, entertainment and recreation activities as a group covers multiple industries and multiple processes
- Economic significance can be overshadowed by cultural importance
- Turnover and pricing are more straightforward for private providers and/or services provided at market prices
- Free or subsidized services may need to use expenses as a proxy or in combination with other revenue components
- Content of turnover is not clear
Questions?

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