

# Activities Auxiliary to Financial Service Activities: Turnover Measures and Practices at the U.S. Census Bureau

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# Definition of the Service

**Revenue received for the services auxiliary to financial activities**

- **Market Provision of Services**
  - Employers
  - Non-employers
- **Fees for service and Commissions or Spreads for brokering and similar activities (not gross value of trades in financial vehicles)**



# Concordance between ISIC Rev. 4 and NAICS US, 2012

6611	Administration of financial markets	523210	Securities and Commodity Exchanges	
6612	Security and commodity contracts brokerage	523120	Securities Brokerage	
6612	Security and commodity contracts brokerage	523130	Commodity Contracts Dealing	foreign currency exchanges (selling currency to the public)
6612	Security and commodity contracts brokerage	523140	Commodity Contracts Brokerage	
6612	Security and commodity contracts brokerage	523999	Miscellaneous Financial Investment Activities	gas and oil lease brokers offices
6619	Other activities auxiliary to financial service activities	522310	Mortgage and Nonmortgage Loan Brokers	
6619	Other activities auxiliary to financial service activities	522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	
6619	Other activities auxiliary to financial service activities	523930	Investment Advice	
6619	Other activities auxiliary to financial service activities	523991	Trust, Fiduciary, and Custody Activities	
6619	Other monetary intermediation	523999	Miscellaneous Financial Investment Activities	except gas and oil lease brokers offices



# 2012 Size Data

Private employer establishments:	72,804
Employees in private establishments:	642,822
Receipts/revenue from private employers:	\$257,846,845,000

*2012 Economic Census*



# Industry Concentration (firms)

NAICS	Title	4 largest	8 largest	20 largest	50 largest
522310	Mortgage and Nonmortgage Loan Brokers	11	18.2	26.3	36.4
522320	Financial Transactions Processing, Reserve, and Clearing House Activities	37	50.9	72.2	85.5
523120	Securities Brokerage	33.9	49.6	71	83.3
523140	Commodities Contracts Brokerage	40.1	53.9	68.5	81.3
523210	Securities and Commodity Exchanges	84.8	99.4	100	100
523930	Investment Advice	29.2	35.8	46.2	56.1
523991	Trust, Fiduciary, and Custody Activities	56.7	68.1	78.9	86.5
523999	Miscellaneous Financial Investment Activities	63.5	79.2	89.2	95.2



# Product Offerings

- Each NAICS industry had several pages of published detailed product data
- Products offered broadly cross the entire Finance sector

Total Financial Planning and Investment Management Services:

Sector 52                      \$260,249,000,000

NAICS 523930                \$ 27,030,000,000

- In this case, the industry represents roughly 10% of the total product output
- Varies across industries – brokering equities revenue from Securities brokerage industry covers over 70% of sector product revenue for the entire sector



# Most Important Product by Industry

NAICS	Title	Product	Relative Importance
522310	Mortgage and Nonmortgage Loan Brokers	Loan services - income	88.9%
522320	Financial Transactions Processing, Reserve, and Clearing House Activities	Credit card services - income	74.7%
523120	Securities Brokerage	Brokering and dealing services for equities	19.8%
523140	Commodities Contracts Brokerage	Brokering and dealing services for derivative contracts	70.4%
523210	Securities and Commodity Exchanges	Support services for financial and commodity markets	90.1%
523930	Investment Advice	Financial planning and investment management services	83.9%
523991	Trust, Fiduciary, and Custody Activities	Trust services - fiduciary fees	60.0%
523999	Miscellaneous Financial Investment Activities	Support services for financial and commodity markets	52.9%



# Turnover Data Availability

- **Comprehensive Economic Census Data**
  - Collected in years ending with 2 and 7
  - Detailed industry and product turnover data
- **Service Annual Survey**
  - Sample based estimates
  - Industry turnover estimates
  - Product turnover estimates at Industry Group level
- **Quarterly Services Survey**
  - Sample based estimates
  - Industry group revenue estimates
  - Class of customer breakouts





# Additional Details Collected in 2007 and Later

- **Business Expenses** – In Census years, the SAS program collects 20 expense groupings, including estimates for expenditures on cost of purchased software; cost of purchased repair and maintenance services, cost of data processing and purchased computer services; and cost of rental and lease payments.





# Comparability of Price and Product Data

There are industry SPPIs for Securities Brokerage and Investment Advice

SPPI coverage for approx. 60% of the NAICS industries defined here as making up ISIC 661

Adding coverage of financial clearing house activities could raise that to almost 82%



# Comparability of NAICS in North America

- **Subsector 522 – Credit Intermediation and Related Activities**
- **Industry Group 5231 - Securities and Commodities Contracts Intermediation and Brokerage**
- **NAICS Industry 52321 – Securities and Commodity Exchanges**
- **Industry Group 5239 – Other Financial Investment Activities**





# Questions?

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