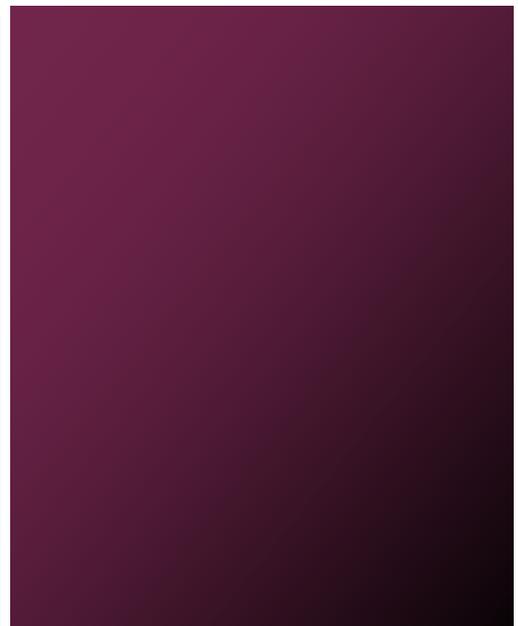
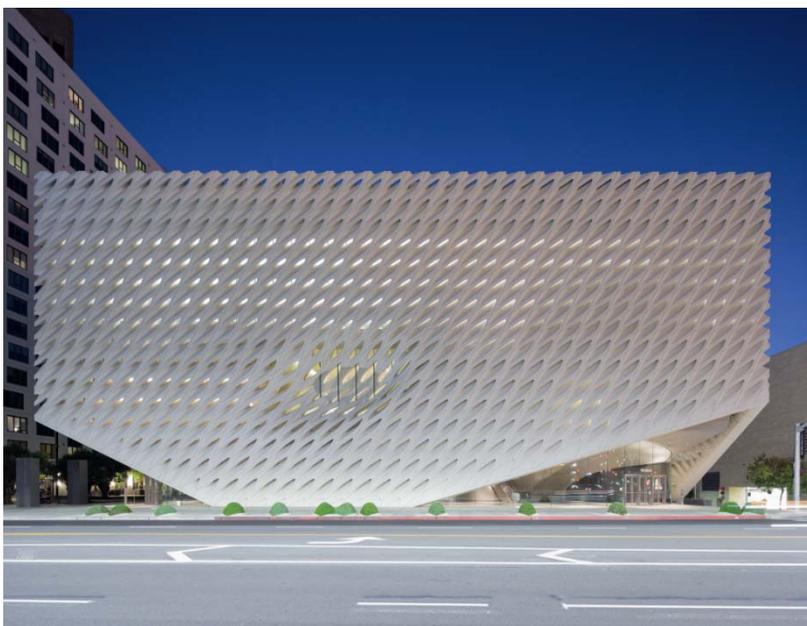


# ECONOMIC IMPACT ANALYSIS



## THE ECONOMIC IMPACT OF THE BROAD'S FIRST YEAR

*2015-2016*



INSTITUTE FOR APPLIED ECONOMICS  
Los Angeles County Economic Development Corporation

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This report was commissioned by The Broad.

The LAEDC Institute for Applied Economics offers objective economic and policy research for public agencies and private firms. The group focuses on economic impact studies, regional industry analyses, economic forecasts and issue studies, particularly in water, transportation, infrastructure and environmental policy.

Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and they are believed to be reliable.

The report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, endorsements, representations or warranties of any kind whatsoever.

# Executive Summary

The Broad, located in the heart of downtown Los Angeles, is one of the nation's most exalted contemporary art museums. Since its opening on September 20, 2015, the museum has offered free general admission to visitors. The 120,000 square foot building designed with a "veil-and-vault" concept includes two floors of gallery space showcasing pieces from the 2,000-work Broad collection.

The Broad has quickly established itself as one of the premier contemporary art museums in the country. Renowned contemporary artists including Jean-Michel Basquiat, Barbara Kruger, Cy Twombly, and many others are well represented at the museum.

In its first year of operations, The Broad incurred \$14.0 million worth of expenditures, and its parking garage incurred an additional \$1.7 million in expenditures. This spending circulated throughout the regional economy to deliver significant economic benefits.

The Broad also welcomed more than 800,000 visitors from around the globe, during its inaugural year. Although general admission to the museum is free, these visitors spent additional funds off-site at various locations in downtown Los Angeles as well as in other parts of the city and county.

The total economic impact in Los Angeles County of all activity attributable to The Broad during its inaugural year, including direct, indirect and induced impacts of its operations and of off-site spending of its visitors, is shown in Exhibit E-1 and summarized as follows:

- ▶ \$54.5 million in total output (business revenues);
- ▶ 490 jobs;
- ▶ \$24 million in local labor income; and
- ▶ \$2.9 million in state and local taxes, of which \$800,000 was collected by the County and \$350,000 was collected by cities across Los Angeles County.



**Exhibit E-1**  
Economic and Fiscal Impact of The Broad's Inaugural Year

<b>Direct Activity (\$ millions):</b>		<b>\$ 29.8</b>
<i>Museum operating expenditures</i>	14.0	
<i>Parking garage expenditures</i>	1.7	
<i>Off-site visitor spending</i>	14.1	
<b>Total Economic Impact:</b>		
Output (\$ millions)		<b>\$ 54.5</b>
Employment (jobs)		<b>490</b>
<i>Direct</i>	330	
<i>Indirect and induced</i>	160	
Labor income (\$ millions)		<b>\$ 24.0</b>
<b>Total Fiscal Impact (\$ millions):</b>		
Federal tax revenues		<b>\$ 5.3</b>
State and local tax revenues		<b>\$ 2.9</b>
<i>State</i>	\$ 1.7	
<i>County</i>	0.8	
<i>Cities</i>	0.4	

Source: Estimates by LAEDC

# 1 Introduction

The Broad opened on September 20, 2015 on Grand Avenue in downtown Los Angeles as a contemporary art museum. Named after philanthropists Eli and Edythe Broad, who fully funded the \$140 million museum, The Broad houses the Broad collection, considered one of the world's leading collections of postwar and contemporary art. Designed by Diller Scofidio+Renfro in collaboration with Gensler, The Broad includes a 120,000 square foot museum with exhibition space, art storage, offices, plus a parking garage, as well as a public plaza featuring 100-year old Barouni olive trees.

The Broad showcases art from the 2,000 works in The Broad collection by over 200 notable artists including Cindy Sherman, Jeff Koons, Ed Ruscha, Andy Warhol and Roy Lichtenstein amongst others. Although general admission is free for the public, The Broad charges for some special temporary exhibitions.

The Broad also houses The Broad Art Foundation which was established in 1984 as a lending library to increase access to contemporary art. Since its inception the Foundation has lent more than 8,500 pieces to over 500 museums and art galleries globally.

The ongoing activity of The Broad and its visitors contributes to the economic and cultural vitality of the region, and cements Los Angeles' reputation as the nation's center for arts and culture. ❖

## Economic Impact Analysis

Economic impact analysis is used to estimate the overall economic activity, including spill-over and multiplier impacts, which occurs as a result of a particular business, event or geography.

The economic activity related to the ongoing operations of The Broad begins with the purchase of goods and services from local vendors and the wages and benefits paid to local workers.

During its first year of operations, The Broad spent millions of dollars for the wages and benefits of its employees. These workers, as well as employees of The Broad's suppliers, spend a portion of their incomes on



groceries, rent, vehicle expenses, healthcare, entertainment, and so on. This recirculation of the original expenditures multiplies their impact through these indirect and induced effects. With ongoing operations, The Broad will continue to generate significant economic impact in Los Angeles County.

Additionally, the hundreds of thousands of visitors to The Broad purchase goods and services in the broader region during their stay.

The extent to which the initial expenditures multiply is estimated using economic models that depict the relationships between industries (such as The Broad and its suppliers) and among different economic agents (such as industries and their employees).

These models are built upon actual data of expenditure patterns that are reported to the U.S. Bureau of Labor Statistics, the U.S. Census Bureau and the Bureau of Economic Analysis of the U.S. Department of Commerce. Data is regionalized so that it reflects and incorporates local conditions such as prevailing wages rates, expenditure patterns, and resource availability and costs.

The magnitude of the multiplying effect differs from one region to another depending on the extent to which the local region can fill the demand for all rounds of supplying needs. For example, the automobile manufacturing industry has high multipliers in Detroit and Indiana since these regions have deep and wide supplier networks, while the same industry multiplier in Phoenix is quite small. In another example, the jobs

multiplier for the construction industry is higher in, say, Arkansas, than in California because the same amount of spending will purchase fewer workers in Los Angeles than in Little Rock.

Multipliers can also differ from year to year as relative material and labor costs change and as the production “recipe” of industries change. For example, the IT revolution significantly reduced the job multiplier of many industries (such as manufacturing, accounting, architecture and publishing) as computers replaced administrative and production workers. ❖

## Approach and Methodology

Economic impact analysis typically begins with an increase in final demand for an industry’s output, such as a purchase of construction services or an inflow of out-of-town visitors who spend money at local accommodations and retail establishments.

The approach used here is to use the ongoing regular expenditures for The Broad excluding any one-time extraordinary purchases associated with the first year of operations. This data was provided by The Broad.

In addition to on-site activity, the analysis includes off-site ancillary spending of visitors to the museum. Attendance data was provided by The Broad. Expenditure patterns vary according to the origin of visitors. Consequently, attendance was distributed among local, non-local domestic and international visitors. Estimates for local spending of both local, non-local domestic and international visitors to The Broad were derived using data published by *Visit California* and the Los Angeles Tourism and Convention Board’s *Marketing and Planning Resource Book*.

The metrics used to determine the value of the economic impact include employment, labor income and the value of output. *Employment* includes full-time, part-time, permanent and seasonal employees and the self-employed, and is measured on a job-count basis regardless of the number of hours worked. *Labor income* includes all income received by both payroll employees and the self-employed, including wages and benefits such as health insurance and pension plan contributions. *Output* is the value of the goods and services produced. For most industries, this is simply the revenues generated through sales; for others, in particular retail and wholesale industries, output is the value of the services supplied.



Once the initial direct activity was determined, indirect and induced impacts were estimated using software and data from IMPLAN, Inc., which traces inter-industry transactions resulting from an increase in demand in a given region. The economic region of interest is Los Angeles County.

The total estimated economic impact includes *direct*, *indirect* and *induced* effects. *Direct activity* includes the materials purchased and the employees hired by the museum itself. *Indirect effects* are those which stem from the employment and business revenues motivated by the purchases made by the museum and any of its suppliers. *Induced effects* are those generated by the spending of employees whose wages are sustained by both direct and indirect spending.

Labor income is payments to wage and salary workers and to the self-employed. Employment is measured on a job-count basis for both wage and salary workers and proprietors regardless of the number of hours worked. Unless otherwise noted, labor income, expenditures and output is expressed in current 2016 dollars. ❖

## 2 The Broad's Inaugural Operations

The Broad has quickly established itself as one of the premier contemporary art museums in the country within its first year of operations. Renowned contemporary artists including Jean-Michel Basquiat, Barbara Kruger, Cy Twombly, and many others are well represented at the museum.

By offering free general admission to its general exhibitions, The Broad is able to showcase contemporary art from the 1950s to the present to a diverse audience from around the world. Joanne Heyler, founding director of The Broad, states "In planning The Broad, our highest priorities were attracting a wide audience to contemporary art and creating a welcoming, engaging museum experience." The popularity of the museum due to its dynamic and innovative collection as well as public programming and special exhibitions has meant that the museum has been at full capacity since it opened. Advance ticket reservations, which guarantee entrance at a specific time, have been booked months in advance, and admission has been supplemented by a daily standby line.

The Broad also hosts special exhibitions for a nominal ticket price. The first special exhibition, *Cindy Sherman: Imitation of Life*, which opened on June 11, 2016 and runs through October 2, 2016, is priced at \$12 for adults and free for children aged 17 years and under.

The next upcoming collection exhibition is *Creature*. This exhibit will open on November 5, 2016 and include 50 works of art that present figuration and selfhood to reflect the human experience.

In addition to collection installations and special exhibitions, The Broad has a robust offering of regular programming and special events, including film series, art talks and the popular *Summer Happenings at The Broad*, a series of Saturday night concerts and performance art held throughout the museum and on the adjacent public plaza. To engage younger audiences and introduce contemporary art to the next generation, The Broad hosts free *Family Weekend Workshops*. These and other events illustrate the breadth and depth of The Broad's commitment to the public and to the arts.

The Broad currently employs 150 part-time and 37 full-time employees, two-thirds of whom are visitor services

associates (VSAs). VSAs are trained to engage with the public and create a welcoming atmosphere to the museum and are indicative of the museum's focus on innovation and audience engagement and outreach. These VSA's are dynamic and enthusiastic and reflective of The Broad's focus on reaching a broad, diverse audience.

In its first year of operations, The Broad incurred \$14.0 million worth of expenditures for its operations, and an additional \$1.7 million were incurred for the parking garage. Extraordinary one-time purchases have been excluded from the analysis as it is unlikely that these expenses will recur. Other expenditures which do not have economic impact, such as depreciation and bond amortization (which account for financial valuation) and art acquisition (which is an exchange of assets) have been excluded.

The operating expenditures are shown in Exhibit 2-1.

Exhibit 2-1

The Broad Annual Operating Expenditures

	\$ millions
Salaries & benefits	\$ 5.4
Operations	2.7
General administration	1.8
Cost of goods sold (museum store)	1.7
Advertising and media	1.1
Exhibits	0.8
Programs	0.6
<b>Subtotal of operating expenditures</b>	<b>\$ 14.0</b>
Parking garage	\$ 1.7
<b>Total</b>	<b>\$ 15.7</b>

Source: The Broad

The expenditures of *Otium*, the new restaurant adjacent to The Broad and headed by former French Laundry chef, Timothy Hollingsworth, has been excluded from this section. While *Otium* was built to serve patrons of The Broad and the broader region, as an independent business, its revenues are not included in this analysis. However, spending at the *Otium* and adjacent restaurants and other establishments is captured in the following section which includes the impact of off-site visitor spending.

Operating expenditures of The Broad produce considerable economic impact in Los Angeles County which is presented in Exhibit 2-2. These are the likely and expected *ongoing* impact of The Broad's operations.

**Exhibit 2-2**  
Economic and Fiscal Impact of The Broad's Operations

Direct Expenditures (\$ millions)	\$ 14.0
Parking garage (\$ millions)	1.7
<b>Total Economic Impact:</b>	
Output (\$ millions)	\$ 33.3
Employment (jobs)	290
<i>Direct</i>	190
<i>Indirect and induced</i>	100
Labor income (\$ millions)	\$ 15.5
<b>Total Fiscal Impact (\$ millions):</b>	
State and local tax revenues	\$ 1.5
Federal tax revenues	3.3

Source: Estimates by LAEDC

It is estimated that the operations of The Broad's first year generated economic output of \$33.3 million in Los Angeles County (mostly business revenues for local firms) and supported 290 jobs with labor income (including wages and benefits) of \$15.5 million.

This total ongoing activity also generated \$1.5 million in state and local taxes and \$3.3 million in federal tax revenues. The disaggregation of taxes by type and by level of government is shown in Exhibit 2-3.

**Exhibit 2-3**  
Fiscal Impact of The Broad

<b>By Type of Tax (\$ millions):</b>	
Personal income taxes	\$ 1.7
Social insurance	1.7
Sales and excise taxes	0.5
Property taxes	0.4
Corporate income taxes	0.3
Other taxes and fees	0.2
<b>Total</b>	<b>\$ 4.8</b>
<b>By Type of Government (\$ millions):</b>	
Federal	\$ 3.3
State	1.0
County	0.4
Cities	0.2
<b>Total</b>	<b>\$ 4.8</b>

Source: Estimates by LAEDC; May not sum due to rounding

The total economic impact generated by The Broad affects a wide swath of industries. The distribution of total economic impact among industry sectors is presented in Exhibit 2-4.



**Exhibit 2-4**  
Economic Impacts by Industry Sector

	Jobs	Labor Income (\$ millions)	Output (\$ millions)
Natural resources	-	\$ 0.0	\$ 0.1
Utilities	-	0.0	0.2
Construction	2	0.1	0.3
Manufacturing	-	0.1	0.6
Wholesale trade	2	0.2	0.5
Retail trade	10	0.4	0.8
Transportation and warehousing	10	0.4	1.1
Information	-	0.4	1.3
Finance and insurance	10	0.6	1.7
Real estate and rental	20	0.5	4.5
Professional, scientific technical	10	0.7	1.3
Management of companies	-	0.1	0.2
Administrative and waste services	10	0.4	0.8
Educational services	-	0.2	0.3
Health and social services	10	0.8	1.4
Arts, entertainment and recreation	130	8.0	14.6
Accommodation and food services	10	0.2	0.6
Other services	70	2.3	2.8
Government	-	0.2	0.4
<b>Total</b>	<b>290</b>	<b>\$ 15.5</b>	<b>\$ 33.3</b>

Source: Estimates by LAEDC; May not sum due to rounding

The values in the exhibit should be interpreted as illustrative rather than precise given model and data limitations. A description of industry sectors is provided in the Appendix. ❖

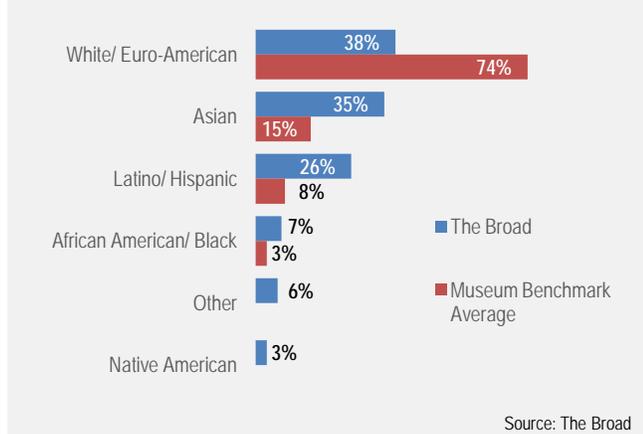
## Visitor Demographics

Visitors to The Broad represent an impressively wide range of various demographic groups, showing that The Broad has successfully provided the opportunity to visit a world-class art museum to a diverse and appreciative audience.

While art appreciation tends to be a pastime enjoyed by a predominantly upper-class white population, The Broad's audience is much more egalitarian. The disparity between the racial composition of visitors to The Broad compared to a benchmark average of national museums established by the Morey Group is striking. More than 62 percent of visitors to The Broad identifies as non-Caucasian, compared to only 26 percent of visitors to the museums used to compose the benchmark average (Exhibit 2-5).



**Exhibit 2-5**  
Race of Museum Visitors

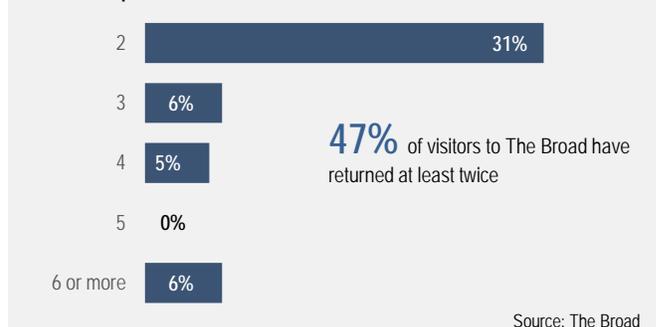


Visitors to The Broad are fairly young, with an average age of a little over 33 years old—10 years younger than the benchmark average. Many are not intimately familiar with art appreciation; a large majority (80 percent) report to have less than an advanced knowledge of contemporary art, and 40 percent say they have a “Beginner” background. It is evident that The Broad is able to actively engage an audience eager to learn about contemporary art.

Visitors to The Broad also had significantly lower household incomes than visitors to the benchmark museums from the Morey report (\$65,365 compared to \$83,967). For reference, the Census reports that in 2014 the national average household income was \$51,759. The Broad appeals to a much broader audience and is more inclusive and reflective of the diversity of the city and county of Los Angeles.

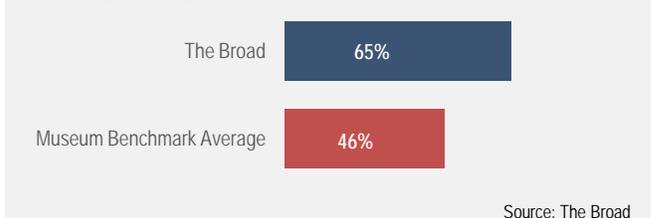
The Broad appears to have made a lasting impact on its repeat visitors, as nearly half of them (47 percent) have returned at least twice. In The Broad's first year of operation nearly a fifth (17 percent) of guests visited more than twice, and 6 percent returned five or more times after their initial visit (Exhibit 2-6).

**Exhibit 2-6**  
Return Trips to The Broad



Visitors to The Broad are eager to tell their friends and families about their experience as well. Almost two-thirds of visitors to The Broad (65 percent) became aware of the museum through word of mouth, compared to less than half of visitors to benchmark museums (Exhibit 2-7). ❖

**Exhibit 2-7**  
Word of Mouth Awareness



### 3 Off-Site Visitor Spending

The Broad, as the premier contemporary art museum in Los Angeles County, attracted thousands of visitors from around the world, drawn to see one of the world's leading collections of postwar and contemporary art.

Visitors to The Broad fall into five major categories, which are shown in Exhibit 3-1.

**Exhibit 3-1**  
Origins of Visitors to The Broad

Origin	Estimated Visitors	%
LA County	458,657	56%
Other SoCal	157,573	19%
Other CA	22,614	3%
Other US	73,713	9%
International	106,474	13%
<b>Total</b>	<b>819,031</b>	<b>100%</b>

Source: LAEDC estimates using Broad Survey Data

Approximately 56 percent of visitors were residents of Los Angeles County, and 19 percent were day visitors from neighboring counties in Southern California. An additional 3 percent of visitors came from other areas of California. The rest were distributed around the globe including 9 percent domestic visitors from outside California and 13 percent international residents.

International and out-of-state visitors are assumed to spend an additional half-day in Los Angeles to visit The Broad and therefore, one half-day's spending is attributable to the museum. Ancillary spending of local visitors (i.e., residents of Southern California) is excluded, since these visitors would have spent these same monies elsewhere in the region, making their expenditures related to The Broad a *displacement* of local spending and not *new* spending attributable to the museum. Many local visitors, including school children or repeat local visitors, will not purchase items in the museum gift shop or food and beverages in local restaurants.

The composition of spending of non-local domestic and international visitors differs somewhat. Visitors in both



of these categories will allocate their spending to hotels and accommodations, restaurants and drinking establishments, retail purchases and transportation. International visitors are known to spend more per person on retail purchases than other groups of visitors.

Spending of international visitors was estimated from *Overseas and Mexican Visitors to California* published by the California Travel and Tourism Commission. Non-local domestic visitor spending was estimated from the Los Angeles Tourism and Convention Board's *Marketing and Planning Resource Book*. The total half-day spending for all off-site spending by visitors to The Broad is shown in Exhibit 3-2.

**Exhibit 3-2**  
Estimated Half Day Spend of The Broad Visitor by Origin

Origin of Visitors	% of Visitors	Visitors	Estimated Spend per Visitor	Total Spend (\$ millions)
Los Angeles County	56%	458,657	-	-
Other So Cal	19%	157,573	-	-
Other CA	3%	22,614	\$ 81	\$ 1.8
Other US	9%	73,713	\$ 81	6.0
International	13%	106,474	\$ 59	6.3
<b>Total</b>	<b>100%</b>	<b>819,031</b>		<b>\$ 14.1</b>

Sources: Overseas and Mexican Visitors to California; Marketing and Planning Resource Book; Estimates by LAEDC

Although in aggregate international visitors spend more than domestic visitors, their spending is distributed over a longer time period as their visits tend to be of a longer duration than their domestic peers. Therefore, the estimated extra half-day of spend per visitor for an international visitor is lower than that for a domestic visitor.

This spending will occur at local restaurants, hotels, for ground transportation, entertainment, and gifts and souvenirs. The estimated number of visitors and their spending by category is summarized in Exhibit 3-3.

**Exhibit 3-3**

**Total Off-Site Spending by Broad Visitors**  
(\$ millions)

Category	Non-local domestic	International Visitors	Total
Lodging	\$ 2.0	\$ 2.0	\$ 3.9
Entertainment	0.9	0.8	1.7
Food and beverages	2.0	1.2	3.2
Ground transportation	1.3	0.4	1.7
Gifts and souvenirs	1.2	1.5	2.7
Other	0.5	0.4	1.0
<b>Total Spending</b>	<b>\$ 7.8</b>	<b>\$ 6.3</b>	<b>\$ 14.1</b>

Source: LAEDC estimates; May not sum due to rounding

Given these data, the estimated economic impacts of off-site spending of visitors to The Broad during its first year of operations are shown in Exhibit 3-4.

**Exhibit 3-4**

**Economic and Fiscal Impact of Visitor Spending**

<b>Total Half-Day Spending</b> (\$ millions)	<b>\$ 14.1</b>
<b>Total Economic Impact:</b>	
Output (\$ millions)	<b>\$ 21.1</b>
Employment (jobs)	<b>200</b>
<i>Direct</i>	150
<i>Indirect and induced</i>	50
Labor income (\$ millions)	<b>\$ 8.5</b>
<b>Total Fiscal Impact</b> (\$ millions):	
State and local tax revenues	<b>\$ 1.4</b>
Federal tax revenues	2.0

Source: Estimates by LAEDC

It is estimated that off-site spending by visitors to The Broad generated economic impact of \$21.1 million and supported 200 jobs with a total labor income (including wages and benefits) of \$8.5 million.

Moreover, it is estimated that this economic activity generated approximately \$1.4 million in state and local



taxes and an additional \$2.0 million in federal tax revenues.

The total annual economic impact of off-site visitor spending spilled across industries through indirect and induced effects. The complete list of estimated impacts by industry sector is shown in Exhibit 3-5.

**Exhibit 3-5**

**Annual Economic Impacts by Industry Sector**

	Jobs	Labor Income (\$ millions)	Output (\$ millions)
Natural resources	-	\$ 0.0	\$ 0.1
Utilities	-	0.0	0.1
Construction	-	0.1	0.2
Manufacturing	-	0.0	0.5
Wholesale trade	-	0.1	0.4
Retail trade	30	0.8	1.8
Transportation and warehousing	20	0.6	1.6
Information	-	0.2	0.7
Finance and insurance	-	0.3	0.9
Real estate and rental	10	0.4	2.5
Professional, scientific technical	-	0.4	0.7
Management of companies	-	0.1	0.3
Administrative and waste services	10	0.2	0.4
Educational services	-	0.1	0.1
Health and social services	10	0.5	0.9
Arts, entertainment and recreation	10	0.8	1.5
Accommodation and food services	90	3.0	7.4
Other services	20	0.5	0.9
Government	-	0.1	0.3
<b>Total</b>	<b>200</b>	<b>\$ 8.5</b>	<b>\$ 21.1</b>

Source: Estimates by LAEDC; May not sum due to rounding

The values in the exhibit should be interpreted as illustrative rather than precise given model and data limitations. A description of industry sectors is provided in the Appendix. ❖

# Appendix

## Description of Industry Sectors

The industry sectors used in this report are established by the North American Industry Classification System (NAICS). NAICS divides the economy into twenty sectors, and groups industries within these sectors according to production criteria. Listed below is a short description of each sector as taken from the sourcebook, *North American Industry Classification System*, published by the U.S. Office of Management and Budget (2012).

*Agriculture, Forestry, Fishing and Hunting:* Activities of this sector are growing crops, raising animals, harvesting timber, and harvesting fish and other animals from farms, ranches, or the animals' natural habitats.

*Mining:* Activities of this sector are extracting naturally-occurring mineral solids, such as coal and ore; liquid minerals, such as crude petroleum; and gases, such as natural gas; and beneficiating (e.g., crushing, screening, washing and flotation) and other preparation at the mine site, or as part of mining activity.

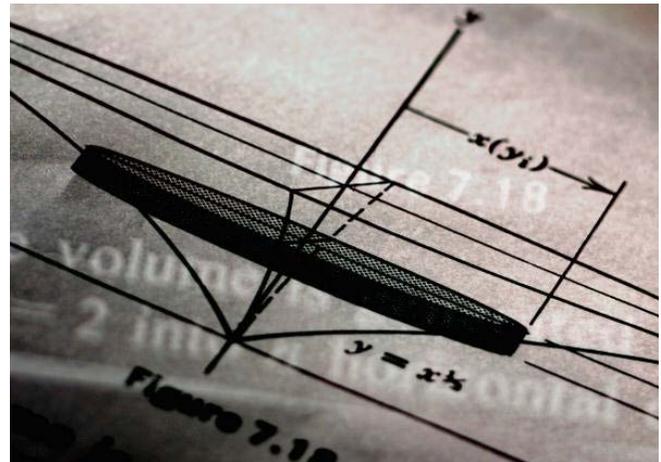
*Utilities:* Activities of this sector are generating, transmitting, and/or distributing electricity, gas, steam, and water and removing sewage through a permanent infrastructure of lines, mains, and pipes.

*Construction:* Activities of this sector are erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.

*Manufacturing:* Activities of this sector are the mechanical, physical, or chemical transformation of material, substances, or components into new products.

*Wholesale Trade:* Activities of this sector are selling or arranging for the purchase or sale of goods for resale; capital or durable non-consumer goods; and raw and intermediate materials and supplies used in production, and providing services incidental to the sale of the merchandise.

*Retail Trade:* Activities of this sector are retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.



*Transportation and Warehousing:* Activities of this sector are providing transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.

*Information:* Activities of this sector are distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data.

*Finance and Insurance:* Activities of this sector involve the creation, liquidation, or change of ownership of financial assets (financial transactions) and/or facilitating financial transactions.

*Real Estate and Rental and Leasing:* Activities of this sector are renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works), and providing related services.

*Professional, Scientific, and Technical Services:* Activities of this sector are performing professional, scientific, and technical services for the operations of other organizations.

*Management of Companies and Enterprises:* Activities of this sector are the holding of securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision-making of the company or enterprise.

*Administrative and Support and Waste Management and Remediation Services:* Activities of this sector are performing routine support activities for the day-to-day operations of other organizations, such as: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

*Educational Services:* Activities of this sector are providing instruction and training in a wide variety of subjects. Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means.

*Health Care and Social Assistance:* Activities of this sector are operating or providing health care and social assistance for individuals.

*Arts, Entertainment and Recreation:* Activities of this sector are operating facilities or providing services to meet varied cultural, entertainment, and recreational

interests of their patrons, such as: (1) producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) preserving and exhibiting objects and sites of historical, cultural, or educational interest; and (3) operating facilities or providing services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

*Accommodation and Food Services:* Activities of this sector are providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

*Other Services (except Public Administration):* Activities of this sector are providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services. ❖

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