

Sound Recording Industries: 2002

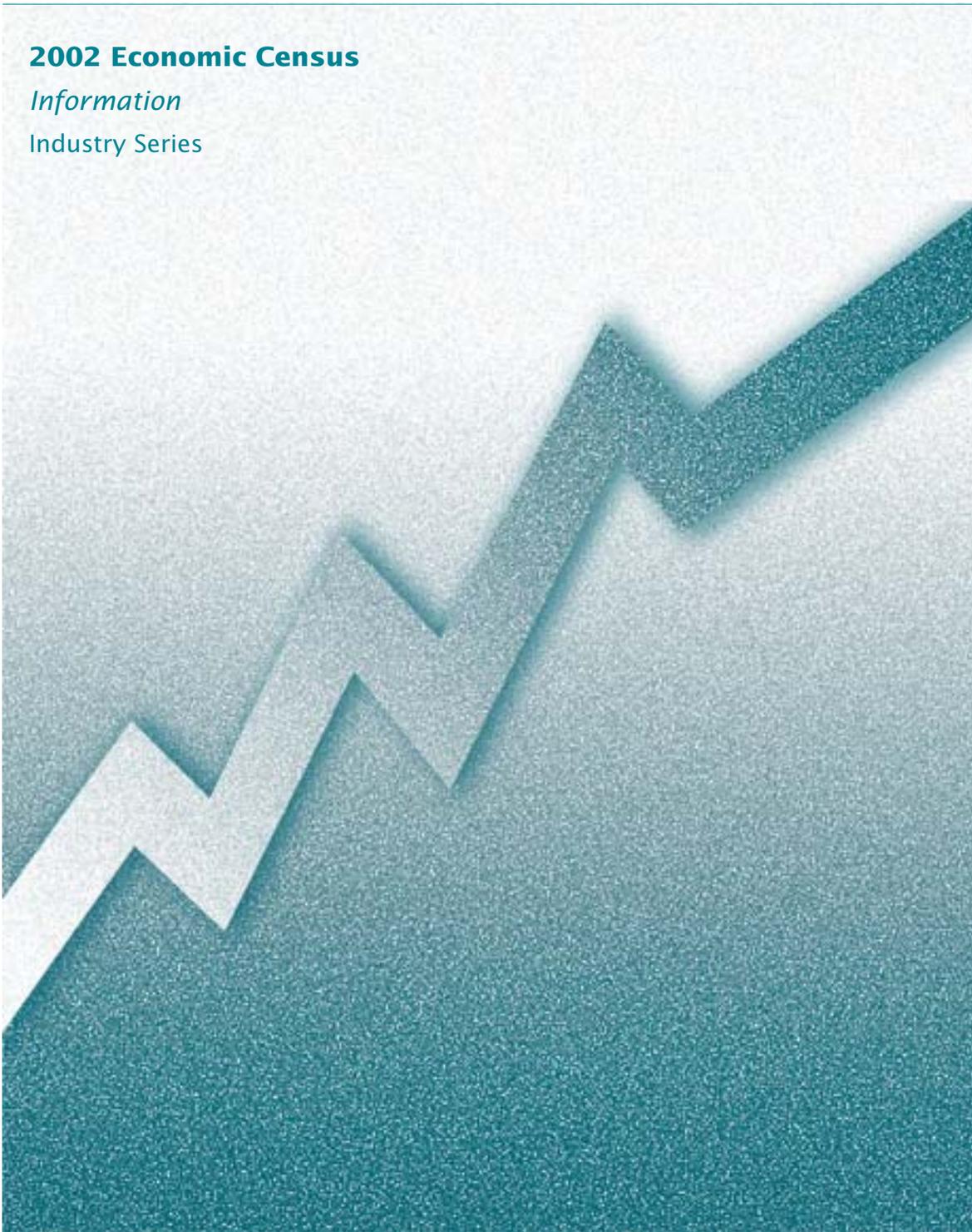
Issued November 2004

EC02-511-08

2002 Economic Census

Information

Industry Series



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ACKNOWLEDGMENTS

This report was prepared in the Service Sector Statistics Division under the direction of **Bobby E. Russell**, Assistant Division Chief for Census Programs. Planning, management, and coordination of this report were under the supervision of **Jack B. Moody**, Chief, Service Census Branch, assisted by **Jack R. Drago**, **Kirk K. Degler**, **Susan G. Baker**, **John P. Kern**, **Maria A. Poschinger**, and **Vannah L. Beatty**. Primary staff assistance was provided by **Kari M. Behrend**, **Scherrie L. Butler**, **Kim A. Casey**, **Alizabath J. Chittenden**, **Laurie E. Davis**, **Tara S. Dryden**, **Michael Dunfee**, **Ashley G. Garmon**, **Holly C. Higgins**, **Julie A. Ishman**, **Misty I. Jensen**, **Christine M. Joseph**, **Robin A. Justice**, **Joyce Kiessling**, **Jason T. Lambert**, **John J. Manning**, **Patrice C. Norman**, **Karen K. Ruane**, **Jill L. Smith**, **Theresa L. Steele**, and **Brent M. Williams**.

Mathematical and statistical techniques, as well as the coverage operations, were provided by **Ruth E. Detlefsen**, Assistant Division Chief for Research and Methodology, assisted by **Scot A. Dahl**, Leader, Census/Current Integration Group, with staff assistance from **Samson A. Adeshiyan** and **Anthony G. Tersine Jr.**

Eddie J. Salyers, Assistant Division Chief of Economic Planning and Coordination Division, was responsible for overseeing the editing and tabulation procedures and the interactive analytical software. **Dennis Shoemaker** and **Kim Wortman**, Special Assistants, **John D. Ward**, Chief, Analytical Branch, and **Brandy L. Yarbrough**, Chief, Edit Branch, were responsible for developing the systems and procedures for data collection, editing, review, and correction. **Donna L. Hambric**, Chief of the Economic Planning Staff, was responsible for overseeing the systems and information for dissemination. **Douglas J. Miller**, Chief, Tables and Dissemination Branch, assisted by **Lisa Aispuro**, **Jamie Fleming**, **Keith Fuller**, **Andrew W. Hait**, and **Kathy G. Padgett** were responsible for developing the data dissemination systems and procedures. The Geography Division staff, **Robert LaMacchia**, Chief, developed geographic coding procedures and associated computer programs.

The Economic Statistical Methods and Programming Division, **Howard R. Hogan**, Chief, developed and coordinated the computer processing systems. **Barry F. Sessamen**, Assistant Division Chief for Post Collection, was responsible for design and implementation of the processing systems and computer programs. **Gary T. Sheridan**, Chief, Macro Analytical Branch, assisted by **Apparao V. Katikineni** and **Edward F. Johnson** provided computer programming and implementation.

The Systems Support Division provided the table composition system. **Robert Joseph Brown**, Table Image Processing System (TIPS) Senior Software Engineer, was responsible for the design and development of the TIPS, under the supervision of **Robert J. Bateman**, Assistant Division Chief, Information Systems.

The staff of the National Processing Center performed mailout preparation and receipt operations, clerical and analytical review activities, and data entry.

Margaret A. Smith, **Bernadette J. Beasley**, **Michael T. Browne**, and **Alan R. Plisch** of the Administrative and Customer Services Division, **Walter C. Odom**, Chief, provided publication and printing management, graphics design and composition, and editorial review for print and electronic media. General direction and production management were provided by **James R. Clark**, Assistant Division Chief, and **Susan L. Rappa**, Chief, Publications Services Branch.

Special acknowledgment is also due the many businesses whose cooperation contributed to the publication of these data.

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-- Not applicable for this report.

Introduction to the Economic Census

PURPOSES AND USES OF THE ECONOMIC CENSUS

The economic census is the major source of facts about the structure and functioning of the nation's economy. It provides essential information for government, business, industry, and the general public. Title 13 of the United States Code (Sections 131, 191, and 224) directs the Census Bureau to take the economic census every 5 years, covering years ending in "2" and "7."

The economic census furnishes an important part of the framework for such composite measures as the gross domestic product estimates, input/output measures, production and price indexes, and other statistical series that measure short-term changes in economic conditions. Specific uses of economic census data include the following:

- Policymaking agencies of the federal government use the data to monitor economic activity and to assess the effectiveness of policies.
- State and local governments use the data to assess business activities and tax bases within their jurisdictions and to develop programs to attract business.
- Trade associations study trends in their own and competing industries, which allows them to keep their members informed of market changes.
- Individual businesses use the data to locate potential markets and to analyze their own production and sales performance relative to industry or area averages.

INDUSTRY CLASSIFICATIONS

Data from the 2002 Economic Census are published primarily according to the 2002 North American Industry Classification System (NAICS). NAICS was first adopted in the United States, Canada, and Mexico in 1997. The 2002 Economic Census covers the following NAICS sectors:

21	Mining
22	Utilities
23	Construction
31-33	Manufacturing
42	Wholesale Trade
44-45	Retail Trade
48-49	Transportation and Warehousing
51	Information
52	Finance and Insurance
53	Real Estate and Rental and Leasing
54	Professional, Scientific, and Technical Services
55	Management of Companies and Enterprises
56	Administrative and Support and Waste Management and Remediation Services
61	Educational Services
62	Health Care and Social Assistance
71	Arts, Entertainment, and Recreation
72	Accommodation and Food Services
81	Other Services (except Public Administration)

(Not listed above are the Agriculture, Forestry, Fishing, and Hunting sector (NAICS 11), partially covered by the census of agriculture conducted by the U.S. Department of Agriculture, and the Public Administration sector (NAICS 92), largely covered by the census of governments conducted by the Census Bureau.)

The 20 NAICS sectors are subdivided into 100 subsectors (three-digit codes), 317 industry groups (four-digit codes), and, as implemented in the United States, 1,179 industries (six-digit codes).

RELATIONSHIP TO HISTORICAL INDUSTRY CLASSIFICATIONS

Prior to the 1997 Economic Census, data were published according to the Standard Industrial Classification (SIC) system. While many of the individual NAICS industries correspond directly to industries as defined under the SIC system, most of the higher level groupings do not. Particular care should be taken in comparing data for retail trade, wholesale trade, and manufacturing, which are sector titles used in both NAICS and SIC, but cover somewhat different groups of industries. The 1997 Economic Census *Bridge Between NAICS and SIC* demonstrates the relationships between NAICS and SIC industries. Where changes are significant, it may not be possible to construct time series that include data for points both before and after 1997.

Most industry classifications remained unchanged between 1997 and 2002, but NAICS 2002 includes substantial revisions within the construction and wholesale trade sectors, and a number of revisions for the retail trade and information sectors. These changes are noted in industry definitions and will be demonstrated in the *Bridge Between NAICS 2002 and NAICS 1997*.

For 2002, data for enterprise support establishments (those functioning primarily to support the activities of their company's operating establishments, such as a warehouse or a research and development laboratory) are included in the industry that reflects their activities (such as warehousing). For 1997, such establishments were termed auxiliaries and were excluded from industry totals.

BASIS OF REPORTING

The economic census is conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each store, factory, shop, or other location. Each establishment is assigned a separate industry classification based on its primary activity and not that of its parent company. (For selected industries, only payroll, employment, and classification are collected for individual establishments, while other data are collected on a consolidated basis.)

GEOGRAPHIC AREA CODING

Accurate and complete information on the physical location of each establishment is required to tabulate the census data for states, metropolitan and micropolitan statistical areas, counties, and corporate municipalities (places) including cities, towns, townships, villages, and boroughs. Respondents were required to report their physical location (street address, municipality, county, and state) if it differed from their mailing address. For establishments not surveyed by mail (and those single-establishment companies that did not provide acceptable information on physical location), location information from administrative sources is used as a basis for coding.

AVAILABILITY OF ADDITIONAL DATA

All results of the 2002 Economic Census are available on the Census Bureau Internet site (www.census.gov) and on digital versatile discs (DVD-ROMs) for sale by the Census Bureau. The American FactFinder system at the Internet site allows selective retrieval and downloading of the data. For more information, including a description of reports being issued, see the Internet site, write to the U.S. Census Bureau, Washington, DC 20233-6100, or call Customer Services at 301-763-4100.

HISTORICAL INFORMATION

The economic census has been taken as an integrated program at 5-year intervals since 1967 and before that for 1954, 1958, and 1963. Prior to that time, individual components of the economic census were taken separately at varying intervals.

The economic census traces its beginnings to the 1810 Decennial Census, when questions on manufacturing were included with those for population. Coverage of economic activities was expanded for the 1840 Decennial Census and subsequent censuses to include mining and some commercial activities. The 1905 Manufactures Census was the first time a census was taken apart

from the regular decennial population census. Censuses covering retail and wholesale trade and construction industries were added in 1930, as were some service trades in 1933. Censuses of construction, manufacturing, and the other business censuses were suspended during World War II.

The 1954 Economic Census was the first census to be fully integrated, providing comparable census data across economic sectors and using consistent time periods, concepts, definitions, classifications, and reporting units. It was the first census to be taken by mail, using lists of firms provided by the administrative records of other federal agencies. Since 1963, administrative records also have been used to provide basic statistics for very small firms, reducing or eliminating the need to send them census report forms.

The range of industries covered in the economic census expanded between 1967 and 2002. The census of construction industries began on a regular basis in 1967, and the scope of service industries, introduced in 1933, was broadened in 1967, 1977, and 1987. While a few transportation industries were covered as early as 1963, it was not until 1992 that the census broadened to include all of transportation, communications, and utilities. Also new for 1992 was coverage of financial, insurance, and real estate industries. With these additions, the economic census and the separate census of governments and census of agriculture collectively covered roughly 98 percent of all economic activity. New for 2002 is coverage of four industries classified in the agriculture, forestry, and fishing sector under the SIC system: landscape architectural services, landscaping services, veterinary services, and pet care services.

Printed statistical reports from the 1992 and earlier censuses provide historical figures for the study of long-term time series and are available in some large libraries. Reports for 1997 were published primarily on the Internet and copies of 1992 reports are also available there. CD-ROMs issued from the 1987, 1992, and 1997 Economic Censuses contain databases that include all or nearly all data published in print, plus additional statistics, such as ZIP Code statistics, published only on CD-ROM.

SOURCES FOR MORE INFORMATION

More information about the scope, coverage, classification system, data items, and publications for the 2002 Economic Census and related surveys is published in the *Guide to the 2002 Economic Census* at www.census.gov/econ/census02/guide. More information on the methodology, procedures, and history of the census will be published in the *History of the 2002 Economic Census* at www.census.gov/econ/www/history.html.

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Information

SCOPE

The Information sector (sector 51) comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively over the Internet; the telecommunications industries; the industries known as Internet service providers and Web search portals, data processing industries, and the information services industries.

The expressions “information age” and “global information economy” are used with considerable frequency today. The general idea of an “information economy” includes both the notion of industries primarily producing, processing, and distributing information, as well as the idea that every industry is using available information and information technology to reorganize and make themselves more productive.

For the purpose of developing NAICS, it is the transformation of information into a commodity that is produced and distributed by a number of growing industries that is at issue. The Information sector groups three types of establishments: (1) those engaged in producing and distributing information and cultural products; (2) those that provide the means to transmit or distribute these products as well as data or communications; and (3) those that process data. Cultural products are those that directly express attitudes, opinions, ideas, values, and artistic creativity; provide entertainment; or offer information and analysis concerning the past and present. Included in this definition are popular, mass-produced products, as well as cultural products that normally have a more limited audience, such as poetry books, literary magazines, or classical records.

The unique characteristics of information and cultural products, and of the processes involved in their production and distribution, distinguish the Information sector from the goods-producing and service-producing sectors. Some of these characteristics are:

1. Unlike traditional goods, an “information or cultural product,” such as a newspaper online or television program, does not necessarily have tangible qualities, nor is it necessarily associated with a particular form. A movie can be shown at a movie theater, on a television broadcast, through video-on-demand or rented at a local video store. A sound recording can be aired on radio, embedded in multimedia products, or sold at a record store.
2. Unlike traditional services, the delivery of these products does not require direct contact between the supplier and the consumer.
3. The value of these products to the consumer lies in their informational, educational, cultural, or entertainment content, not in the format in which they are distributed. Most of these products are protected from unlawful reproduction by copyright laws.
4. The intangible property aspect of information and cultural products makes the processes involved in their production and distribution very different from goods and services. Only those possessing the rights to these works are authorized to reproduce, alter, improve, and distribute them. Acquiring and using these rights often involves significant costs. In addition, technology is revolutionizing the distribution of these products. It is possible to distribute them in a physical form, via broadcast, or online.
5. Distributors of information and cultural products can easily add value to the products they distribute. For instance, broadcasters add advertising not contained in the original product.

This capacity means that unlike traditional distributors, they derive revenue not from sale of the distributed product to the final consumer, but from those who pay for the privilege of adding information to the original product. Similarly, a directory and mailing list publisher can acquire the rights to thousands of previously published newspaper and periodical articles and add new value by providing search and software and organizing the information in a way that facilitates research and retrieval. These products often command a much higher price than the original information.

The distribution modes for information commodities may either eliminate the necessity for traditional manufacture, or reverse the conventional order of manufacture-distribute: A newspaper distributed online, for example, can be printed locally or by the final consumer. Similarly, it is anticipated that packaged software, which today is mainly bought through the traditional retail channels, will soon be available mainly online. The NAICS Information sector is designed to make such economic changes transparent as they occur, or to facilitate designing surveys that will monitor the new phenomena and provide data to analyze the changes.

Many of the industries in the NAICS Information sector are engaged in producing products protected by copyright law, or in distributing them (other than distribution by traditional wholesale and retail methods). Examples are traditional publishing industries, software and directory and mailing list publishing industries, and film and sound industries. Broadcasting and telecommunications industries and information providers and processors are also included in the Information sector, because their technologies are so closely linked to other industries in the Information sector.

Many of the “kinds of business” included in this sector are not thought of as commercial businesses and the terms (such as “business,” “establishment,” and “firm”) used to describe them may not be descriptive of such services. However, these terms are applied to all “kinds of business” in order to maintain conformity in the measures of the production and delivery of goods and services and in the presentation of data.

Exclusions. The tabulations for this sector do not include central administrative offices, warehouses, or other establishments that serve information establishments within the same organization. Data for such establishments are classified according to the nature of the service they provide. For example, separate headquarters establishments are reported in NAICS sector 55, Management of Companies and Enterprises.

The reports described below exclude establishments of firms with no paid employees. These “nonemployers,” typically self-employed individuals or partnerships operating businesses that they have not chosen to incorporate, are reported separately in *Nonemployer Statistics*. The contribution of nonemployers, relatively large for this sector, may be examined at www.census.gov/nonemployerimpact.

Definitions. Industry categories are defined in Appendix B, NAICS Codes, Titles, and Descriptions. Other terms are defined in Appendix A, Explanation of Terms.

REPORTS

The following reports provide statistics on this sector.

Industry Series. There are 13 reports, each covering a group of related industries. The reports present, by kind of business for the United States, general statistics for establishments of firms with payroll on number of establishments, receipts, payroll, and employment; comparative statistics for 2002 and 1997; product lines; and concentration of business activity in the largest firms. The data in industry reports are preliminary and subject to change in the following reports.

Geographic Area Series. There is a separate report for each state, the District of Columbia, and the United States. Each state report presents, for establishments of firms with payroll, general statistics on number of establishments, receipts, expenses of tax-exempt establishments, payroll, and employment by kind of business for the state, metropolitan and micropolitan statistical areas, counties, and places with 2,500 inhabitants or more. Greater kind-of-business detail is shown for larger areas. The United States report presents data for the United States as a whole for detailed kind-of-business classifications.

Subject Series:

- **Product Lines.** This report presents product lines data for establishments of firms with payroll by kind of business. Data are presented for the United States and states.
- **Establishment and Firm Size (Including Legal Form of Organization).** This report presents receipts/revenue, payroll, and employment data for the United States by receipts/revenue size, by employment size, and by legal form of organization for establishments of firms with payroll; and by receipts/revenue size (including concentration by largest firms), by employment size, and by number of establishments operated (single units and multiunits) for firms with payroll.
- **Miscellaneous Subjects.** This report presents data for a variety of industry-specific topics for establishments of firms with payroll. Presentation of data varies by kind of business.

Other reports. Data for this sector are also included in reports with multisector coverage, including *Nonemployer Statistics*, *Comparative Statistics*, *Bridge Between 2002 NAICS and 1997 NAICS*, *Business Expenses*, and the Survey of Business Owners reports.

GEOGRAPHIC AREAS COVERED

The level of geographic detail varies by report. Maps are available at www.census.gov/econ2002maps. Notes specific to areas in the state are included in Appendix D, Geographic Notes. Data may be presented for –

1. The United States as a whole.
2. States and the District of Columbia.
3. Metropolitan and micropolitan statistical areas. A core based statistical area (CBSA) contains a core area with a substantial population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. CBSAs are differentiated into metropolitan and micropolitan statistical areas based on size criteria. Both metropolitan and micropolitan statistical areas are defined in terms of entire counties, and are listed in Appendix E, Metropolitan and Micropolitan Statistical Areas.
 - a. Metropolitan Statistical Areas (metro areas). Metro areas have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.
 - b. Micropolitan Statistical Areas (micro areas). Micro areas have at least one urban cluster of at least 10,000, but less than 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.
 - c. Metropolitan Divisions (metro divisions). If specified criteria are met, a metro area containing a single core with a population of 2.5 million or more may be subdivided to form smaller groupings of counties referred to as Metropolitan Divisions.
 - d. Combined Statistical Areas (combined areas). If specified criteria are met, adjacent metro and micro areas, in various combinations, may become the components of a new set of areas called Combined Statistical Areas. The areas that combine retain their own designations as metro or micro areas within the larger combined area.
4. Counties and county equivalents defined as of January 1, 2002. Counties are the primary divisions of states, except in Louisiana where they are called parishes and in Alaska where they are called boroughs, census areas, and city and boroughs. Maryland, Missouri, Nevada, and Virginia have one place or more that is independent of any county organization and constitutes primary divisions of their states. These places are treated as counties and as places.
5. Economic places.

-
- a. Municipalities of 2,500 inhabitants or more defined as of January 1, 2002. These are areas of significant population incorporated as cities, boroughs, villages, or towns according to the 2000 Census of Population. For the economic census, boroughs, census areas, and city and boroughs in Alaska and boroughs in New York are not included in this category.
 - b. Consolidated cities defined as of January 1, 2002. Consolidated cities are consolidated governments that consist of separately incorporated municipalities.
 - c. Townships in Michigan, New Jersey, and Pennsylvania, and towns in New York, Wisconsin, and the six New England states with 10,000 inhabitants or more (according to the 2000 Census of Population).
 - d. Balance of county. Areas outside the entities listed above, including incorporated municipalities with populations of fewer than 2,500, towns and townships not qualifying as noted above, and the remainders of counties outside places are categorized as "Balance of county."

DOLLAR VALUES

All dollar values presented are expressed in current dollars; i.e., 2002 data are expressed in 2002 dollars, and 1997 data, in 1997 dollars. Consequently, when making comparisons with prior years, users of the data should consider the changes in prices that have occurred.

All dollar values are shown in thousands of dollars.

COMPARABILITY OF THE 1997 AND 2002 ECONOMIC CENSUSES

Both the 2002 Economic Census and the 1997 Economic Census present data based on the North American Industry Classification System (NAICS).

The 1997 Economic Census was the first census to present data based on NAICS, the successor to the Standard Industrial Classification (SIC) system. NAICS was revised for 2002 and a number of revisions affect the Information Sector. New industries were created for Internet publishing and broadcasting and Web search portals. Revisions to the hierarchical structure were made and revised NAICS codes were assigned to selected industries. Most tables in the 2002 Economic Census reports present data based on 2002 NAICS. A comparative table in the Industry Series reports, and the multisector Comparative Statistics report, present data for both 2002 and 1997 based on 1997 NAICS.

These tables for 2002 include information establishments that primarily serve other establishments of the same enterprise. These "enterprise support" establishments were not included in data for the information sector in 1997, but were instead included in the "Other auxiliary establishments" kind-of-business category in the "Auxiliaries, Excluding Corporate, Subsidiary, and Regional Managing Offices" reports.

RELIABILITY OF DATA

All data compiled for this sector are subject to nonsampling errors. Nonsampling errors can be attributed to many sources: inability to identify all cases in the actual universe; definition and classification difficulties; differences in the interpretation of questions; errors in recording or coding the data obtained; and other errors of collection, response, coverage, processing, and estimation for missing or misreported data. Data presented in the Miscellaneous Subjects and Product Lines reports for this sector are subject to sampling errors, as well as nonsampling errors.

The accuracy of these tabulated data is determined by the joint effects of the various nonsampling errors or by the joint effects of sampling and nonsampling errors. No direct measurement of these effects has been obtained except for estimation for missing or misreported data, as by the percentages shown in the tables. Precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize the effects of nonsampling errors. More information on the reliability of the data is included in Appendix C, Methodology.

DISCLOSURE

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or business. However, the number of establishments in a kind-of-business classification is not considered a disclosure; therefore, this information may be released even though other information is withheld. Techniques employed to limit disclosure are discussed at www.census.gov/epcd/ec02/disclosure.htm.

AVAILABILITY OF MORE FREQUENT ECONOMIC DATA

The Census Bureau conducts the Service Annual Survey (SAS) each year. This survey, while providing more frequent observations, yields less kind-of-business and geographic detail than the economic census. In addition, the County Business Patterns program offers annual statistics on the number of establishments, employment, and payroll classified by industry within each county, and Statistics of U.S. Businesses program provides annual statistics classified by the employment size of the enterprise, further classified by industry for the United States, and by broader categories for states and metropolitan areas.

CONTACTS FOR DATA USERS

Questions about these data may be directed to the U.S. Census Bureau, Service Sector Statistics Division, Service Census Branch, 1-800-541-8345 or scb@census.gov.

ABBREVIATIONS AND SYMBOLS

The following abbreviations and symbols are used with these data:

D	Withheld to avoid disclosing data of individual companies; data are included in higher level totals
N	Not available or not comparable
Q	Receipts not collected at this level of detail for multiestablishment firms
S	Withheld because estimates did not meet publication standards
X	Not applicable
Z	Less than half the unit shown
a	0 to 19 employees
b	20 to 99 employees
c	100 to 249 employees
e	250 to 499 employees
f	500 to 999 employees
g	1,000 to 2,499 employees
h	2,500 to 4,999 employees
i	5,000 to 9,999 employees
j	10,000 to 24,999 employees
k	25,000 to 49,999 employees
l	50,000 to 99,999 employees
m	100,000 employees or more
r	Revised
–	Represents zero (page image/print only)
(CC)	Consolidated city
(IC)	Independent city

Table 1. Summary Statistics for the United States: 2002

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table. Enterprise support establishments are included. Because of this, comparability to 1997 Economic Census data may be limited. See introductory text for an explanation of the treatment of enterprise support establishments in the 2002 Economic Census compared to the 1997 Economic Census]

2002 NAICS code	Kind of business	Estab-lishments (number)	Receipts (\$1,000)	Annual payroll (\$1,000)	First-quarter payroll (\$1,000)	Paid employees for pay period including March 12 (number)	Percent of receipts—	
							From admini-strative records ¹	Estimated ²
5122	Sound recording industries	3 468	15 530 385	2 280 342	565 208	32 862	3.4	23.3
51221	Record production	368	327 872	74 288	22 030	1 744	28.5	10.0
512210	Record production	368	327 872	74 288	22 030	1 744	28.5	10.0
51222	Integrated record production/distribution	446	10 553 635	1 454 583	367 696	14 142	1.1	30.9
512220	Integrated record production/distribution	446	10 553 635	1 454 583	367 696	14 142	1.1	30.9
51223	Music publishers	652	3 454 144	355 544	82 502	6 248	3.4	5.3
512230	Music publishers	652	3 454 144	355 544	82 502	6 248	3.4	5.3
51224	Sound recording studios	1 498	694 989	240 787	56 467	6 243	22.7	12.1
512240	Sound recording studios	1 498	694 989	240 787	56 467	6 243	22.7	12.1
51229	Other sound recording industries	504	499 745	155 140	36 513	4 485	8.8	9.3
512290	Other sound recording industries	504	499 745	155 140	36 513	4 485	8.8	9.3

¹Includes receipts information obtained from administrative records of other federal agencies.

²Includes receipts information that was imputed based on historic data, administrative data, industry averages, or other statistical methods.

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

Table 2. Comparative Statistics for the United States (1997 NAICS Basis): 2002 and 1997

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 and 1997 Economic Censuses. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table. Enterprise support establishments are included. Because of this, comparability to 1997 Economic Census data may be limited. See introductory text for an explanation of the treatment of enterprise support establishments in the 2002 Economic Census compared to the 1997 Economic Census]

1997 NAICS code	Kind of business	Establishments (number)	Receipts (\$1,000)	Annual payroll (\$1,000)	Paid employees for pay period including March 12 (number)
5122	Sound recording industries	2002.. 3 468 1997.. 2 935	15 530 385 D	2 280 342 D	32 862 k
51221	Record production	2002.. 368 1997.. 283	327 872 182 369	74 288 46 520	1 744 998
512210	Record production	2002.. 368 1997.. 283	327 872 182 369	74 288 46 520	1 744 998
51222	Integrated record production/distribution	2002.. 446 1997.. '319	10 553 635 8 735 863	1 454 583 '983 125	14 142 '11 437
512220	Integrated record production/distribution	2002.. 446 1997.. '319	10 553 635 8 735 863	1 454 583 '983 125	14 142 '11 437
51223	Music publishers	2002.. 652 1997.. 721	3 454 144 D	355 544 D	6 248 i
512230	Music publishers	2002.. 652 1997.. 721	3 454 144 D	355 544 D	6 248 i
51224	Sound recording studios	2002.. 1 498 1997.. 1 269	694 989 540 601	240 787 162 976	6 243 5 528
512240	Sound recording studios	2002.. 1 498 1997.. 1 269	694 989 540 601	240 787 162 976	6 243 5 528
51229	Other sound recording industries	2002.. 504 1997.. 377	499 745 312 641	155 140 89 136	4 485 2 774
512290	Other sound recording industries	2002.. 504 1997.. 377	499 745 312 641	155 140 89 136	4 485 2 774

Note: The data in this table are based on the 2002 and 1997 Economic Censuses. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

Table 3. Product Lines by Kind of Business for the United States: 2002

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table. Enterprise support establishments are included. Because of this, comparability to 1997 Economic Census data may be limited. See introductory text for an explanation of the treatment of enterprise support establishments in the 2002 Economic Census compared to the 1997 Economic Census.]

2002 NAICS code	2002 Product line code	Kind of business and product line	Establishments with the product line		Product line receipts			Response coverage ² (percent)
			Number	Total receipts (\$1,000)	Amount ¹ (\$1,000)	As percent of total receipts of—		
						Establishments with the product line	All establishments ¹	
5122		Sound recording industries	3 468	X	15 530 385	X	100.0	81.1
	32110	Music book publishing	N	N	363 877	N	2.3	X
	32120	Sheet music publishing	N	N	420 366	N	2.7	X
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	N	N	1 584 451	N	10.2	74.6
	32131	Performance	N	N	346 171	N	2.2	X
	32132	Reproduction	N	N	1 158 385	N	7.5	X
	32133	Distribution	N	N	77 958	N	.5	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	N	N	774 008	N	5.0	X
	32150	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio discs	N	N	9 177 454	N	59.1	25.1
	32151	Compact disc (CD), full-length	N	N	9 067 118	N	58.4	X
	32152	Compact disc (CD), singles/maxisingles	N	N	38 700	N	.2	X
	32153	Prerecorded audio discs: Others, including audio and visual CD, enhanced CD, and minidisc	N	N	71 636	N	.5	X
	32160	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio tapes, including DAT	N	N	187 704	N	1.2	36.5
	32161	Cassettes, full-length	N	N	185 758	N	1.2	X
	32162	Cassettes, singles/maxisingles	N	N	1 582	N	Z	X
	32170	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio records	N	N	9 498	N	.1	81.0
	32171	Vinyl long playing (LP)	N	N	4 393	N	Z	X
	32172	Vinyl singles, including 7 and 12 inch	N	N	5 105	N	Z	X
	32180	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded video discs or tapes	N	N	244 858	N	1.6	80.7
	32181	Prerecorded video discs, including laser and DVD	N	N	132 216	N	.9	X
	32182	Prerecorded video tapes	N	N	111 707	N	.7	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	N	N	37 568	N	.2	X
	32200	Receipts from the use of sound recording studio	N	N	655 694	N	4.2	X
	32220	Audio taping of conferences, seminars, and meetings	N	N	29 556	N	.2	X
	32230	Radio show tape production/distribution	N	N	117 148	N	.8	X
	39000	Merchandise sales	N	N	27 721	N	.2	78.4
	39038	Sales of other merchandise, not specified by type	N	N	25 124	N	.2	X
51221		Record production	368	X	327 872	X	100.0	57.2
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	66	14 590	5 374	36.8	1.6	34.4
	32131	Performance	8	3 821	44	1.2	Z	X
	32132	Reproduction	58	12 338	5 243	42.5	1.6	X
	32133	Distribution	8	2 252	87	3.9	Z	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	368	327 872	310 143	94.6	94.6	X
	32150	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio discs	12	2 761	1 321	47.8	.4	31.1
	32151	Compact disc (CD), full-length	12	2 761	1 321	47.8	.4	X
	32160	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio tapes, including DAT	6	1 259	325	25.8	.1	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	6	1 082	89	8.2	Z	X
	32200	Receipts from the use of sound recording studio	18	2 525	780	30.9	.2	X
	32210	Fees received from collecting royalties for music/sound recording copyright holders	6	131	13	9.9	Z	X
	39000	Merchandise sales	6	4 875	2 597	53.3	.8	X
	39500	All other receipts	54	34 505	7 230	21.0	2.2	52.7
	39531	All other receipts	54	34 505	7 230	21.0	2.2	X
512210		Record production	368	X	327 872	X	100.0	57.2
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	66	14 590	5 374	36.8	1.6	34.4
	32131	Performance	8	3 821	44	1.2	Z	X
	32132	Reproduction	58	12 338	5 243	42.5	1.6	X
	32133	Distribution	8	2 252	87	3.9	Z	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	368	327 872	310 143	94.6	94.6	X
	32150	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio discs	12	2 761	1 321	47.8	.4	31.1
	32151	Compact disc (CD), full-length	12	2 761	1 321	47.8	.4	X
	32160	Sales of duplicate recordings generated from masters that you own or lease the rights to: Prerecorded audio tapes, including DAT	6	1 259	325	25.8	.1	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	6	1 082	89	8.2	Z	X
	32200	Receipts from the use of sound recording studio	18	2 525	780	30.9	.2	X
	32210	Fees received from collecting royalties for music/sound recording copyright holders	6	131	13	9.9	Z	X
	39000	Merchandise sales	6	4 875	2 597	53.3	.8	X
	39500	All other receipts	54	34 505	7 230	21.0	2.2	52.7
	39531	All other receipts	54	34 505	7 230	21.0	2.2	X

See footnotes at end of table.

Table 3. Product Lines by Kind of Business for the United States: 2002—Con.

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table. Enterprise support establishments are included. Because of this, comparability to 1997 Economic Census data may be limited. See introductory text for an explanation of the treatment of enterprise support establishments in the 2002 Economic Census compared to the 1997 Economic Census.]

2002 NAICS code	2002 Product line code	Kind of business and product line	Establishments with the product line		Product line receipts			Response coverage ² (percent)
			Number	Total receipts (\$1,000)	Amount ¹ (\$1,000)	As percent of total receipts of—		
						Establishments with the product line	All establishments ¹	
51222		Integrated record production/distribution	446	X	10 553 635	X	100.0	82.0
	32110	Music book publishing	Q	Q	3 588	Q	Z	X
	32120	Sheet music publishing	Q	Q	280 516	Q	2.7	X
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	Q	Q	45 908	Q	.4	82.0
	32131	Performance	Q	Q	4 701	Q	Z	X
	32132	Reproduction	Q	Q	7 330	Q	.1	X
	32133	Distribution	Q	Q	33 877	Q	.3	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	Q	Q	449 268	Q	4.3	X
	32150	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded audio discs	Q	Q	9 148 947	Q	86.7	X
	32160	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded audio tapes, including DAT	Q	Q	184 161	Q	1.7	36.6
	32161	Cassettes, full-length	Q	Q	182 540	Q	1.7	X
	32162	Cassettes, singles/maxisingles	Q	Q	1 582	Q	Z	X
	32170	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded audio records	Q	Q	9 498	Q	.1	81.8
	32171	Vinyl long playing (LP)	Q	Q	4 393	Q	Z	X
	32172	Vinyl singles, including 7 and 12 inch	Q	Q	5 105	Q	Z	X
	32180	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded video discs or tapes	Q	Q	236 612	Q	2.2	81.6
	32181	Pre-recorded video discs, including laser and DVD	Q	Q	126 533	Q	1.2	X
	32182	Pre-recorded video tapes	Q	Q	110 079	Q	1.0	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	Q	Q	14 036	Q	.1	X
	32200	Receipts from the use of sound recording studio	Q	Q	1 583	Q	Z	X
	32210	Fees received from collecting royalties for music/sound recording copyright holders	Q	Q	106	Q	Z	X
	39000	Merchandise sales	Q	Q	4 960	Q	Z	82.0
	39038	Sales of other merchandise, not specified by type	Q	Q	4 960	Q	Z	X
	39500	All other receipts	Q	Q	174 452	Q	1.7	82.0
	39531	All other receipts	Q	Q	174 452	Q	1.7	X
51220		Integrated record production/distribution	446	X	10 553 635	X	100.0	82.0
	32110	Music book publishing	Q	Q	3 588	Q	Z	X
	32120	Sheet music publishing	Q	Q	280 516	Q	2.7	X
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	Q	Q	45 908	Q	.4	82.0
	32131	Performance	Q	Q	4 701	Q	Z	X
	32132	Reproduction	Q	Q	7 330	Q	.1	X
	32133	Distribution	Q	Q	33 877	Q	.3	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	Q	Q	449 268	Q	4.3	X
	32150	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded audio discs	Q	Q	9 148 947	Q	86.7	X
	32160	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded audio tapes, including DAT	Q	Q	184 161	Q	1.7	36.6
	32161	Cassettes, full-length	Q	Q	182 540	Q	1.7	X
	32162	Cassettes, singles/maxisingles	Q	Q	1 582	Q	Z	X
	32170	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded audio records	Q	Q	9 498	Q	.1	81.8
	32171	Vinyl long playing (LP)	Q	Q	4 393	Q	Z	X
	32172	Vinyl singles, including 7 and 12 inch	Q	Q	5 105	Q	Z	X
	32180	Sales of duplicate recordings generated from masters that you own or lease the rights to: Pre-recorded video discs or tapes	Q	Q	236 612	Q	2.2	81.6
	32181	Pre-recorded video discs, including laser and DVD	Q	Q	126 533	Q	1.2	X
	32182	Pre-recorded video tapes	Q	Q	110 079	Q	1.0	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	Q	Q	14 036	Q	.1	X
	32200	Receipts from the use of sound recording studio	Q	Q	1 583	Q	Z	X
	32210	Fees received from collecting royalties for music/sound recording copyright holders	Q	Q	106	Q	Z	X
	39000	Merchandise sales	Q	Q	4 960	Q	Z	82.0
	39038	Sales of other merchandise, not specified by type	Q	Q	4 960	Q	Z	X
	39500	All other receipts	Q	Q	174 452	Q	1.7	82.0
	39531	All other receipts	Q	Q	174 452	Q	1.7	X
51223		Music publishers	652	X	3 454 144	X	100.0	86.4
	32110	Music book publishing	167	496 036	360 242	72.6	10.4	X
	32120	Sheet music publishing	210	664 559	139 843	21.0	4.0	X
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	516	3 225 069	1 526 979	47.3	44.2	78.5
	32131	Performance	357	1 375 525	338 957	24.6	9.8	X
	32132	Reproduction	335	2 926 753	1 144 028	39.1	33.1	X
	32133	Distribution	163	996 881	43 994	4.4	1.3	X
51220		Music publishers	652	X	3 454 144	X	100.0	86.4
	32110	Music book publishing	167	496 036	360 242	72.6	10.4	X
	32120	Sheet music publishing	210	664 559	139 843	21.0	4.0	X

See footnotes at end of table.

Table 3. Product Lines by Kind of Business for the United States: 2002—Con.

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only establishments of firms with payroll. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table. Enterprise support establishments are included. Because of this, comparability to 1997 Economic Census data may be limited. See introductory text for an explanation of the treatment of enterprise support establishments in the 2002 Economic Census compared to the 1997 Economic Census.]

2002 NAICS code	2002 Product line code	Kind of business and product line	Establishments with the product line		Product line receipts			Response coverage ² (percent)
			Number	Total receipts (\$1,000)	Amount ¹ (\$1,000)	As percent of total receipts of—		
						Estab-lishments with the product line	All estab-lishments ¹	
512230		Music publishers—Con.						
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	516	3 225 069	1 526 979	47.3	44.2	78.5
	32131	Performance	357	1 375 525	338 957	24.6	9.8	X
	32132	Reproduction	335	2 926 753	1 144 028	39.1	33.1	X
	32133	Distribution	163	996 881	43 994	4.4	1.3	X
51224		Sound recording studios	1 498	X	694 989	X	100.0	56.0
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	69	18 820	4 253	22.6	.6	53.6
	32131	Performance	41	12 337	2 469	20.0	.4	X
	32132	Reproduction	41	11 073	1 784	16.1	.3	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	33	15 248	2 467	16.2	.4	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	45	23 345	3 482	14.9	.5	X
	32200	Receipts from the use of sound recording studio	1 498	694 989	638 938	91.9	91.9	X
	32210	Fees received from collecting royalties for music/sound recording copyright holders	57	29 044	3 913	13.5	.6	X
	32220	Audio taping of conferences, seminars, and meetings	63	13 900	1 091	7.8	.2	X
	32230	Radio show tape production/distribution	60	17 861	3 378	18.9	.5	X
	39000	Merchandise sales	282	95 763	14 345	15.0	2.1	55.6
	39038	Sales of other merchandise, not specified by type	282	95 763	14 345	15.0	2.1	X
	39500	All other receipts	348	87 284	23 115	26.5	3.3	53.1
	39531	All other receipts	348	87 284	23 115	26.5	3.3	X
512240		Sound recording studios	1 498	X	694 989	X	100.0	56.0
	32130	Royalties, license fees, and other payments for authorizing the use of musical compositions	69	18 820	4 253	22.6	.6	53.6
	32131	Performance	41	12 337	2 469	20.0	.4	X
	32132	Reproduction	41	11 073	1 784	16.1	.3	X
	32140	Receipts from sales, leasing, and licensing fees of master recordings ..	33	15 248	2 467	16.2	.4	X
	32190	Distribution for others of finished products (sound recording) that do not involve buying or leasing masters	45	23 345	3 482	14.9	.5	X
	32200	Receipts from the use of sound recording studio	1 498	694 989	638 938	91.9	91.9	X
	32210	Fees received from collecting royalties for music/sound recording copyright holders	57	29 044	3 913	13.5	.6	X
	32220	Audio taping of conferences, seminars, and meetings	63	13 900	1 091	7.8	.2	X
	32230	Radio show tape production/distribution	60	17 861	3 378	18.9	.5	X
	39000	Merchandise sales	282	95 763	14 345	15.0	2.1	55.6
	39038	Sales of other merchandise, not specified by type	282	95 763	14 345	15.0	2.1	X
	39500	All other receipts	348	87 284	23 115	26.5	3.3	53.1
	39531	All other receipts	348	87 284	23 115	26.5	3.3	X
51229		Other sound recording industries	504	X	499 745	X	100.0	77.0
	32220	Audio taping of conferences, seminars, and meetings	49	31 705	28 465	89.8	5.7	X
	32230	Radio show tape production/distribution	164	121 468	113 770	93.7	22.8	X
512290		Other sound recording industries	504	X	499 745	X	100.0	77.0
	32220	Audio taping of conferences, seminars, and meetings	49	31 705	28 465	89.8	5.7	X
	32230	Radio show tape production/distribution	164	121 468	113 770	93.7	22.8	X

¹Product line receipts and/or product line percents may not sum to total due to exclusion of selected lines to avoid disclosing data for individual companies, due to rounding, and/or due to exclusion of lines that did not meet publication criteria.

²Receipts of establishments reporting product lines as percent of total receipts.

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

Table 4. Concentration by Largest Firms for the United States: 2002

[These data are preliminary and are subject to change; they will be superseded by data released in later reports. Includes only firms and establishments of firms with payroll. Excludes data for corporate, subsidiary, and regional managing offices and establishments of these firms that are classified in other categories than those specified in this table. For meaning of abbreviations and symbols, see introductory text. For explanation of terms, see Appendix A. For method of assignment to categories shown, see Appendix C. Data based on the 2002 Economic Census. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see note at end of table. Enterprise support establishments are included. Because of this, comparability to 1997 Economic Census data may be limited. See introductory text for an explanation of the treatment of enterprise support establishments in the 2002 Economic Census compared to the 1997 Economic Census]

2002 NAICS code	Kind of business and largest firms based on receipts	Establishments (number)	Receipts		Annual payroll (\$1,000)	First-quarter payroll (\$1,000)	Paid employees for pay period including March 12 (number)
			Amount (\$1,000)	As percent of total			
5122	Sound recording industries						
	All firms	3 468	15 530 385	100.0	2 280 342	565 208	32 862
	4 largest firms	87	9 332 188	60.1	1 148 096	269 105	9 503
	8 largest firms	136	12 008 873	77.3	1 461 447	362 546	13 376
	20 largest firms	231	13 035 357	83.9	1 615 770	402 857	16 024
	50 largest firms	299	13 677 276	88.1	1 735 547	432 832	18 266
51221	Record production						
	All firms	368	327 872	100.0	74 288	22 030	1 744
	4 largest firms	5	105 265	32.1	8 603	2 744	112
	8 largest firms	9	132 746	40.5	14 596	4 132	183
	20 largest firms	21	178 185	54.3	28 593	6 919	493
	50 largest firms	51	240 328	73.3	49 166	15 373	1 000
512210	Record production						
	All firms	368	327 872	100.0	74 288	22 030	1 744
	4 largest firms	5	105 265	32.1	8 603	2 744	112
	8 largest firms	9	132 746	40.5	14 596	4 132	183
	20 largest firms	21	178 185	54.3	28 593	6 919	493
	50 largest firms	51	240 328	73.3	49 166	15 373	1 000
51222	Integrated record production/distribution						
	All firms	446	10 553 635	100.0	1 454 583	367 696	14 142
	4 largest firms	82	8 516 183	80.7	1 162 459	294 655	9 441
	8 largest firms	111	9 788 641	92.8	1 305 260	328 129	11 260
	20 largest firms	127	10 149 669	96.2	1 365 171	345 367	11 932
	50 largest firms	160	10 376 713	98.3	1 412 697	357 350	12 970
512220	Integrated record production/distribution						
	All firms	446	10 553 635	100.0	1 454 583	367 696	14 142
	4 largest firms	82	8 516 183	80.7	1 162 459	294 655	9 441
	8 largest firms	111	9 788 641	92.8	1 305 260	328 129	11 152
	20 largest firms	127	10 149 669	96.2	1 365 171	345 367	11 932
	50 largest firms	160	10 376 713	98.3	1 412 697	357 350	12 970
51223	Music publishers						
	All firms	652	3 454 144	100.0	355 544	82 502	6 248
	4 largest firms	19	1 856 565	53.7	145 503	35 306	1 937
	8 largest firms	25	2 414 062	69.9	177 178	41 649	2 468
	20 largest firms	55	2 987 976	86.5	242 154	56 694	3 497
	50 largest firms	89	3 205 900	92.8	287 018	66 900	4 421
512230	Music publishers						
	All firms	652	3 454 144	100.0	355 544	82 502	6 248
	4 largest firms	19	1 856 565	53.7	145 503	35 306	1 937
	8 largest firms	25	2 414 062	69.9	177 178	41 649	2 468
	20 largest firms	55	2 987 976	86.5	242 154	56 694	3 497
	50 largest firms	89	3 205 900	92.8	287 018	66 900	4 421
51224	Sound recording studios						
	All firms	1 498	694 989	100.0	240 787	56 467	6 243
	4 largest firms	8	67 240	9.7	25 731	5 704	305
	8 largest firms	14	101 143	14.6	41 932	9 760	536
	20 largest firms	31	162 593	23.4	67 307	16 278	1 005
	50 largest firms	66	247 655	35.6	97 299	22 921	1 677
512240	Sound recording studios						
	All firms	1 498	694 989	100.0	240 787	56 467	6 243
	4 largest firms	8	67 240	9.7	25 731	5 704	305
	8 largest firms	14	101 143	14.6	41 932	9 760	536
	20 largest firms	31	162 593	23.4	67 307	16 278	1 005
	50 largest firms	66	247 655	35.6	97 299	22 921	1 677
51229	Other sound recording industries						
	All firms	504	499 745	100.0	155 140	36 513	4 485
	4 largest firms	93	263 094	52.6	77 444	18 093	1 982
	8 largest firms	110	303 927	60.8	92 118	21 652	2 439
	20 largest firms	130	364 518	72.9	111 682	25 934	2 895
	50 largest firms	160	411 712	82.4	128 520	29 906	3 358
512290	Other sound recording industries						
	All firms	504	499 745	100.0	155 140	36 513	4 485
	4 largest firms	93	263 094	52.6	77 444	18 093	1 982
	8 largest firms	110	303 927	60.8	92 118	21 652	2 439
	20 largest firms	130	364 518	72.9	111 682	25 934	2 895
	50 largest firms	160	411 712	82.4	128 520	29 906	3 358

Note: The data in this table are based on the 2002 Economic Census. To maintain confidentiality, the Census Bureau suppresses data to protect the identity of any business or individual. The census results in this table contain nonsampling error. Data users who create their own estimates using data from this table should cite the Census Bureau as the source of the original data only. See also explanation of terms and geographic definitions. For the full technical documentation, see Appendix C.

Appendix A.

Explanation of Terms

ANNUAL PAYROLL

Payroll includes all forms of compensation such as salaries, wages, commissions, dismissal pay, bonuses, vacation allowances, sick-leave pay, and employee contributions to qualified pension plans paid during the year to all employees and reported on Internal Revenue Service (IRS) Form 941 as taxable Medicare Wages and tips (even if not subject to income or FICA tax). Also included are tips and gratuities received by employees from patrons and reported to employers. If an employee works at more than one location, the payroll is included in the one location where they spend most of their time. Also included are salaries of members of professional service organizations or associations that operate under state professional corporation statutes and file a corporate federal income tax return. Excluded are payrolls of departments or concessions operated by other companies at the establishment; payments to or withdrawals by proprietors or partners of an unincorporated company; and annuities or supplemental unemployment compensation benefits, even if income tax was withheld. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc. This definition of payroll is the same as that used by the IRS on Form 941.

ESTABLISHMENTS

An establishment is a single physical location at which business is conducted and/or services are provided. It is not necessarily identical to a company or enterprise, which may consist of one establishment or more. Economic census figures represent a summary of reports for individual establishments rather than companies. For cases where a census report was received, separate information was obtained for each location where business was conducted. When administrative records of other federal agencies were used instead of a census report, no information was available on the number of locations operated. Each economic census establishment was tabulated according to the physical location at which the business was conducted. The count of establishments represents those in business at any time during 2002.

When two activities or more were carried on at a single location under a single ownership, all activities generally were grouped together as a single establishment. The entire establishment was classified on the basis of its major activity and all data for it were included in that classification. However, when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census.

Leased service departments (separately owned businesses operated as departments or concessions of other service establishments or of retail businesses, such as a separately owned shoe-shine parlor in a barber shop, or a beauty shop in a department store) are treated as separate service establishments for census purposes. Leased retail departments located in service establishments (e.g., a gift shop located in a hotel) are considered separate retail establishments.

FIRMS

A firm is a business organization or entity consisting of one domestic establishment (location) or more under common ownership or control. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic census, the terms "firm" and "company" are synonymous.

FIRST-QUARTER PAYROLL

Represents payroll paid to persons employed at any time during the quarter January to March 2002.

PAID EMPLOYEES FOR PAY PERIOD INCLUDING MARCH 12

Paid employees consists of full- and part-time employees, including salaried officers and executives of corporations, who were on the payroll during the pay period including March 12. Included are employees on paid sick leave, paid holidays, and paid vacations, and salaried members of professional service organizations or associations that operate under state professional corporation statutes and file corporate federal income tax returns. Not included are proprietors and partners of unincorporated businesses; employees of departments or concessions operated by other companies at the establishment; full- and part-time leased employees whose payroll was filed under an employee leasing company's Employer Identification Number (EIN); and temporary staffing obtained from a staffing service. The definition of paid employees is the same as that used by the Internal Revenue Service (IRS) on Form 941.

RECEIPTS

Includes gross receipts from customers or clients for services provided, from the use of facilities, and from merchandise sold during 2002, whether or not payment was received in 2002. Receipts include royalties, license fees, and other payments from the marketing of intangible products (e.g., licensing the use of or granting reproduction rights for software, musical compositions, and other intellectual property). Receipts also include the rental and leasing of vehicles, equipment, instruments, tools, etc.; total value of service contracts; market value of compensation received in lieu of cash; amounts received for work subcontracted to others; dues and assessments from members and affiliates; this establishment's share of receipts from departments, concessions, and vending and amusement machines operated by others. Sales to and receipts from foreign parent firms, subsidiaries, and branches are included. Receipts also include advertising sales, and sales of goods and services marketed through sales offices. For public broadcast stations and libraries, receipts include contributions, gifts, grants, and income from interest, rental of real estate, and dividends.

Receipts do not include sales and other taxes (including Hawaii's General Excise Tax) collected directly from customers or clients and paid directly to a local, state, or federal tax agency. Also excluded are gross receipts collected on behalf of others; gross receipts from departments or concessions operated by others; sales of used equipment previously rented or leased to customers; proceeds from the sale of real estate (land and buildings), investments, or other assets (except inventory held for resale); contributions, gifts, grants, and income from interest, rental of real estate, and dividends, EXCEPT for public broadcast stations and libraries; domestic intracompany transfers; receipts of foreign parent firms and subsidiaries; and other nonoperating income (e.g., franchise fees).

Appendix B.

NAICS Codes, Titles, and Descriptions

PART 1. 2002 NAICS

5122 SOUND RECORDING INDUSTRIES

This industry group comprises establishments primarily engaged in producing and distributing musical recordings, in publishing music, or in providing sound recording and related services.

51221 RECORD PRODUCTION

This industry comprises establishments primarily engaged in record production (e.g., tapes, CDs). These establishments contract with artists and arrange and finance the production of original master recordings. Establishments in this industry hold the copyright to the master recording and derive most of their revenues from the sales, leasing, and licensing of master recordings. Establishments in this industry do not have their own duplication or distribution capabilities.

512210 RECORD PRODUCTION

This industry comprises establishments primarily engaged in record production (e.g., tapes, CDs). These establishments contract with artists and arrange and finance the production of original master recordings. Establishments in this industry hold the copyright to the master recording and derive most of their revenues from the sales, leasing, and licensing of master recordings. Establishments in this industry do not have their own duplication or distribution capabilities.

51222 INTEGRATED RECORD PRODUCTION/DISTRIBUTION

This industry comprises establishments primarily engaged in releasing, promoting, and distributing sound recordings. These establishments manufacture or arrange for the manufacture of recordings, such as audio tapes/cassettes and compact discs, and promote and distribute these products to wholesalers, retailers, or directly to the public. Establishments in this industry produce master recordings themselves, or obtain reproduction and distribution rights to master recordings produced by record production companies or other integrated record companies.

512220 INTEGRATED RECORD PRODUCTION/DISTRIBUTION

This industry comprises establishments primarily engaged in releasing, promoting, and distributing sound recordings. These establishments manufacture or arrange for the manufacture of recordings, such as audio tapes/cassettes and compact discs, and promote and distribute these products to wholesalers, retailers, or directly to the public. Establishments in this industry produce master recordings themselves, or obtain reproduction and distribution rights to master recordings produced by record production companies or other integrated record companies.

51223 MUSIC PUBLISHERS

This industry comprises establishments primarily engaged in acquiring and registering copyrights for musical compositions in accordance with law and promoting and authorizing the use of these compositions in recordings, radio, television, motion pictures, live performances, print, or other media. Establishments in this industry represent the interests of the songwriter or other owners of musical compositions to produce revenues from the use of such works, generally through licensing agreements. These establishments may own the copyright or act as administrator of the music copyrights on behalf of copyright owners. Publishers of music books and sheet music are included in this industry.

512230 MUSIC PUBLISHERS

This industry comprises establishments primarily engaged in acquiring and registering copyrights for musical compositions in accordance with law and promoting and authorizing the use of these compositions in recordings, radio, television, motion pictures, live performances, print, or other media. Establishments in this industry represent the interests of the songwriter or other owners of musical compositions to produce revenues from the use of such works, generally through licensing agreements. These establishments may own the copyright or act as administrator of the music copyrights on behalf of copyright owners. Publishers of music books and sheet music are included in this industry.

51224 SOUND RECORDING STUDIOS

This industry comprises establishments primarily engaged in providing the facilities and technical expertise for sound recording in a studio. This industry includes establishments that provide audio production and postproduction services to produce master recordings. These establishments may provide audio services for film, television, and video productions.

512240 SOUND RECORDING STUDIOS

This industry comprises establishments primarily engaged in providing the facilities and technical expertise for sound recording in a studio. This industry includes establishments that provide audio production and postproduction services to produce master recordings. These establishments may provide audio services for film, television, and video productions.

51229 OTHER SOUND RECORDING INDUSTRIES

This industry comprises establishments primarily engaged in providing sound recording services (except record production, distribution, music publishing, and sound recording in a studio). Establishments in this industry provide services, such as the audio recording of meetings and conferences.

512290 OTHER SOUND RECORDING INDUSTRIES

This industry comprises establishments primarily engaged in providing sound recording services (except record production, distribution, music publishing, and sound recording in a studio). Establishments in this industry provide services, such as the audio recording of meetings and conferences.

PART 2. 1997 NAICS

5122 SOUND RECORDING INDUSTRIES

This industry group comprises establishments primarily engaged in producing and distributing musical recordings, in publishing music, or in providing sound recording and related services.

51221 RECORD PRODUCTION

This industry comprises establishments primarily engaged in record production (e.g., tapes, CDs). These establishments contract with artists and arrange and finance the production of original master recordings. Establishments in this industry hold the copyright to the master recording and derive most of their revenues from the sales, leasing, and licensing of master recordings. Establishments in this industry do not have their own duplication or distribution capabilities.

512210 RECORD PRODUCTION

This industry comprises establishments primarily engaged in record production (e.g., tapes, CDs). These establishments contract with artists and arrange and finance the production of original master recordings. Establishments in this industry hold the copyright to the master recording and derive most of their revenues from the sales, leasing, and licensing of master recordings. Establishments in this industry do not have their own duplication or distribution capabilities.

51222 INTEGRATED RECORD PRODUCTION/DISTRIBUTION

This industry comprises establishments primarily engaged in releasing, promoting, and distributing sound recordings. These establishments manufacture or arrange for the manufacture of recordings, such as audio tapes/cassettes and compact discs, and promote and distribute these products to wholesalers, retailers, or directly to the public. Establishments in this industry produce master recordings themselves, or obtain reproduction and distribution rights to master recordings produced by record production companies or other integrated record companies.

512220 INTEGRATED RECORD PRODUCTION/DISTRIBUTION

This industry comprises establishments primarily engaged in releasing, promoting, and distributing sound recordings. These establishments manufacture or arrange for the manufacture of recordings, such as audio tapes/cassettes and compact discs, and promote and distribute these products to wholesalers, retailers, or directly to the public. Establishments in this industry produce master recordings themselves, or obtain reproduction and distribution rights to master recordings produced by record production companies or other integrated record companies.

51223 MUSIC PUBLISHERS

This industry comprises establishments primarily engaged in acquiring and registering copyrights for musical compositions in accordance with law and promoting and authorizing the use of these compositions in recordings, radio, television, motion pictures, live performances, print, or other media. Establishments in this industry represent the interests of the songwriter or other owners of musical compositions to produce revenues from the use of such works, generally through licensing agreements. These establishments may own the copyright or act as administrator of the music copyrights on behalf of copyright owners.

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This industry comprises establishments primarily engaged in acquiring and registering copyrights for musical compositions in accordance with law and promoting and authorizing the use of these compositions in recordings, radio, television, motion pictures, live performances, print, or other media. Establishments in this industry represent the interests of the songwriter or other owners of musical compositions to produce revenues from the use of such works, generally through licensing agreements. These establishments may own the copyright or act as administrator of the music copyrights on behalf of copyright owners.

51224 SOUND RECORDING STUDIOS

This industry comprises establishments primarily engaged in providing the facilities and technical expertise for sound recording in a studio. Establishments in this industry may provide audio production or postproduction services for producing master recordings, and may provide audio services for film, television, and video productions.

512240 SOUND RECORDING STUDIOS

This industry comprises establishments primarily engaged in providing the facilities and technical expertise for sound recording in a studio. Establishments in this industry may provide audio production or postproduction services for producing master recordings, and may provide audio services for film, television, and video productions.

51229 OTHER SOUND RECORDING INDUSTRIES

This industry comprises establishments primarily engaged in providing sound recording services (except record production, distribution, music publishing, and sound recording in a studio). Establishments in this industry provide services, such as the audio recording of meetings and conferences.

512290 OTHER SOUND RECORDING INDUSTRIES

This industry comprises establishments primarily engaged in providing sound recording services (except record production, distribution, music publishing, and sound recording in a studio). Establishments in this industry provide services, such as the audio recording of meetings and conferences.

Appendix C.

Methodology

SOURCES OF THE DATA

For this sector, large- and medium-size firms, plus all firms known to operate more than one establishment, were sent report forms to be completed for each of their establishments and returned to the Census Bureau. For most very small firms, data from existing administrative records of other federal agencies were used instead. These records provide basic information on location, kind of business, receipts, payroll, number of employees, and legal form of organization.

Firms in the 2002 Economic Census are divided into those sent report forms and those not sent report forms. The coverage of and the method of obtaining census information from each are described below:

1. Establishments sent a report form:
 - a. Large employers, i.e., all multiestablishment firms, and all employer firms with payroll above a specified cutoff. (The term “employers” refers to firms with one or more paid employees at any time during 2002 as shown in the active administrative records of other federal agencies.)
 - b. A sample of small employers, i.e., single-establishment firms with payroll below a specified cutoff in classifications for which specialized data precludes reliance solely on administrative records sources. The sample was stratified by industry and geography.
2. Establishments not sent a report form:
 - a. Small employers, i.e., single-establishment firms with payroll below a specified cutoff, not selected into the small employer sample. Although the payroll cutoff varies by kind of business, small employers not sent a report form generally include firms with less than 10 employees and represent about 10 percent of total receipts of establishments covered in the census. Data on receipts, payroll, and employment for these small employers were derived or estimated from administrative records of other federal agencies.
 - b. All nonemployers, i.e., all firms with no paid employees during 2002. Receipts information for these firms was obtained from administrative records of other federal agencies. Although consisting of many firms, nonemployers account for less than 10 percent of total receipts of all establishments covered in the census. Data for nonemployers are not included in this report, but are released in the annual *Nonemployer Statistics* series.

The report forms used to collect information for establishments in this sector are available at help.econ.census.gov/econhelp/resources/.

A more detailed examination of census methodology is presented in the *History of the Economic Census* at www.census.gov/econ/www/history.html.

INDUSTRY CLASSIFICATION OF ESTABLISHMENTS

The classifications for all establishments are based on the *North American Industry Classification System, United States, 2002* manual. Changes between 1997 and 2002 affecting this sector are discussed in the text at the beginning of this report. Tables at www.census.gov/epcd/naics02/ identify all industries that changed between the 1997 North American Industry Classification System (NAICS) and 2002 NAICS.

The method of assigning classifications and the level of detail at which establishments were classified depends on whether a report form was obtained for the establishment.

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1. Establishments that returned a report form were classified on the basis of their self-designation, product line receipts, and responses to other industry-specific inquiries.
 2. Establishments without a report form:
 - a. Small employers not sent a form were, where possible, classified on the basis of the most current kind-of-business classification available from one of the Census Bureau's current sample surveys or the 1997 Economic Census. Otherwise, the classification was obtained from administrative records of other federal agencies. If the census or administrative record classifications proved inadequate (none corresponded to a 2002 Economic Census classification in the detail required for employers), the firm was sent a brief inquiry requesting information necessary to assign a kind-of-business code.
 - b. Nonemployers were classified on the basis of information obtained from administrative records of other federal agencies.

RELIABILITY OF DATA

All data compiled in the economic census are subject to nonsampling errors. Nonsampling errors can be attributed to many sources during the development or execution of the census:

- inability to identify all cases in the actual universe;
- definition and classification difficulties;
- differences in the interpretation of questions;
- errors in recording or coding the data obtained; and
- other errors of collection, response, coverage, processing, and estimation for missing or misreported data.

Data presented in the Miscellaneous Subjects and the Product Lines reports for this sector are subject to sampling errors, as well as nonsampling errors. Specifically, these data are estimated based on information obtained from census report forms mailed to all large employers and to a sample of small employers in the universe. Sampling errors affect these estimates, insofar, as they may differ from results that would be obtained from a complete enumeration.

The accuracy of these tabulated data is determined by the joint effects of the various nonsampling errors or by the joint effects of sampling and nonsampling errors. No direct measurement of these effects has been obtained except for estimation for missing or misreported data; however, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize the effects of nonsampling errors.

The Census Bureau obtains limited information extracted from administrative records of other federal agencies, such as gross receipts from federal income tax records and employment and payroll from payroll tax records. This information is used in conjunction with other information available to the Census Bureau to develop estimates for nonemployers, small employers, and other establishments for which responses were not received in time for publication.

Key tables in this report include a column for "Percent of receipts from administrative records." This includes receipts information obtained from administrative records of other federal agencies. The "Percent of receipts estimated" includes receipts information that was imputed based on historic company ratios or administrative records, or on industry averages.

The Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling error and sampling error could impact the conclusions drawn from economic census data.

TREATMENT OF NONRESPONSE

Census report forms included two different types of inquiries, "basic" and "industry-specific." Data for the basic inquiries, which include location, kind of business or operation, receipts, payroll, and number of employees, were available from a combination of sources for all establishments. Data for industry-specific inquiries, tailored to the particular kinds of business or operation covered by the report form, were available only from establishments responding to those inquiries.

Data for industry-specific inquiries in this sector were expanded in most cases to account for establishments that did not respond to the particular inquiry for which data are presented. Unless otherwise noted in specific reports, data for industry-specific inquiries were expanded in direct relationship to total receipts of all establishments included in the category. In a few cases, expansion on the basis of the receipts was not appropriate, and another basic data item was used as the basis for expansion of reported data to account for nonrespondents.

All reports in which industry-specific data were expanded include a coverage indicator for each publication category, which shows the receipts of establishments responding to the industry-specific inquiry as a percent of total receipts for all establishments for which data are shown. For some inquiries, coverage is determined by the ratio of total payroll or employment of establishments responding to the inquiry to total payroll or employment of all establishments in the category.

CONCENTRATION CATEGORIES

Concentration categories are based on aggregate receipts of all establishments operated by the same firm in a given kind-of-business classification or group for which data are presented. For example, a firm operating two service establishments – a motion picture film laboratory (NAICS 512199) and a sound recording studio (NAICS 512240) – would be treated as two one-establishment firms at the most detailed NAICS level, and as a two-establishment firm in NAICS 512.

DISCLOSURE

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or business. However, the number of establishments in a kind-of-business classification is not considered a disclosure; therefore, this information may be released even though other information is withheld. Techniques employed to limit disclosure are discussed at www.census.gov/epcd/ec02/disclosure.htm.

Appendix D. Geographic Notes

Not applicable for this report.

Appendix E. Metropolitan and Micropolitan Statistical Areas

Not applicable for this report.

