

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 14, 2007 AT 10:00 A.M EDT

Lisa Donaldson / Jessica Wellwood
Service Sector Statistics Division
(301) 763-2960

CB07-39

U.S. Government Estimates of Quarterly Revenue for Selected Services 4th Quarter 2006

Quarterly services revenue estimates were revised based on the results of the 2005 Service Annual Survey. Annual benchmark tables showing revised data can be found on our website at <http://www.census.gov/qss>. All revised data were based on 2002 North American Industry Classification System (NAICS) definitions. 2002 NAICS definitions were adopted for the Information Sector in the third quarter of 2006 coinciding with the introduction of a new Quarterly Services Survey (QSS) sample. Data associated with NAICS definitions denoted with an asterisk in the tables of the press release will not be published in future releases.

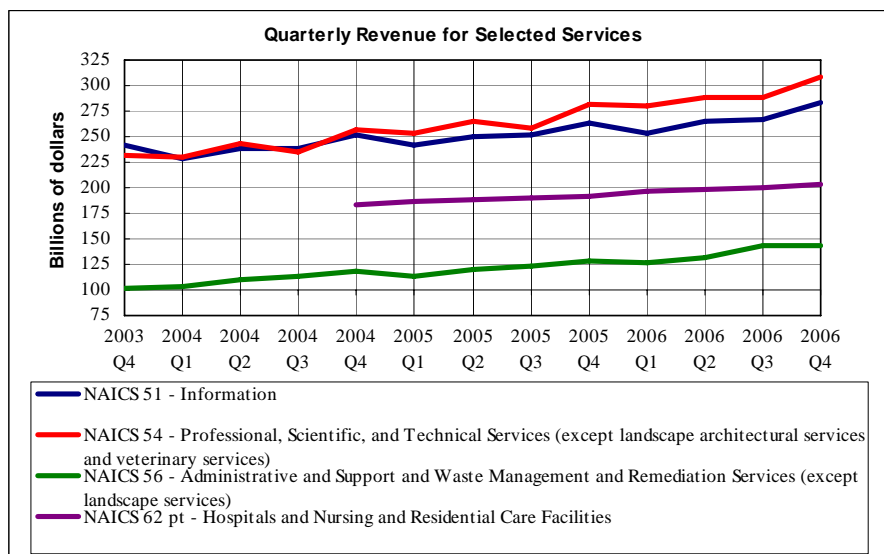
Information The Department of Commerce's Census Bureau announced today that the estimate of U.S. information sector revenue for the fourth calendar quarter of 2006, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$283.1 billion, an increase of 6.3 percent ($\pm 0.7\%$) from the third quarter of 2006 and up 7.5 percent ($\pm 2.8\%$) from the fourth quarter of 2005. The second to third quarter percent change was revised from 0.6 percent ($\pm 0.5\%$) to 0.7 percent ($\pm 0.7\%$)*.

Professional, scientific, and technical services (except landscape architectural services and veterinary services) The estimate of U.S. professional, scientific, and technical services (except landscape architectural services and veterinary services) revenue for the fourth quarter of 2006, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$302.7 billion, an increase of 7.2 percent ($\pm 1.7\%$) from the third quarter of 2006 and up 7.5 percent ($\pm 7.1\%$) from the fourth quarter of 2005. The second to third quarter percent change was revised from -0.9 percent ($\pm 1.8\%$)* to -2.2 percent ($\pm 1.7\%$).

Administrative and support and waste management and remediation services (except landscape services) The estimate of U.S. administrative and support and waste management and remediation services (except landscape services) revenue for the fourth quarter of 2006, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$132.0 billion, an increase of 1.2 percent ($\pm 2.6\%$)* from the third quarter of 2006 and up 3.2 percent ($\pm 10.2\%$)* from the fourth quarter of 2005. The second to third quarter percent change was revised from -0.6 percent ($\pm 1.7\%$)* to -0.4 percent ($\pm 2.6\%$)*.

Hospitals and nursing and residential care facilities The estimate of U.S. hospitals and nursing and residential care facilities revenue for the fourth quarter of 2006, not adjusted for seasonal variation, holiday or trading-day differences, or price changes, was \$203.1 billion, an increase of 1.8 percent ($\pm 1.0\%$) from the third quarter of 2006 and up 6.0 percent ($\pm 6.9\%$)* from the fourth quarter of 2005. The second to third quarter percent change was revised from 0.4 percent ($\pm 0.7\%$)* to 0.2 percent ($\pm 1.0\%$)*.

For survey description and an explanation of the measures of sampling variability included in this report, please see the last page of this publication.



First quarter 2007 revenue is scheduled to be released on June 14, 2007, at 10:00 a.m. EDT.

This report is available on the day of issue through the Department of Commerce's STAT-USA Website; for more information, call (202) 482-1986.

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero. The confidence intervals in this report may be overstated. These will be recomputed prior to the next release.

Our internet site is <http://www.census.gov/qss>

Table 1. Selected Services - Estimated Quarterly Revenue for Employer Firms

[Estimates have not been adjusted for seasonal variation, holiday or trading-day differences, or price changes. Estimates are based on data from the Quarterly Services Survey and have been adjusted using results of the 2005 Service Annual Survey. Data beginning with the third quarter of 2006 are based on a new sample. All estimates are based on the 2002 North American Industry Classification System (NAICS). NAICS codes marked with an asterisk (*) correspond to a previously published level, that will not be included in future releases. For additional information see www.census.gov/qss]

2002 NAICS code ¹	Kind of business	Total revenue (millions of dollars)						Percent change				Year to date		
		4Q 2006 (p)	3Q 2006 (r)	2Q 2006 (r)	1Q 2006 (r)	4Q 2005 (r)	3Q 2005 (r)	4Q 2006 from 3Q 2006 (p)	3Q 2006 from 2Q 2006 (r)	4Q 2006 from 4Q 2005 (p)	3Q 2006 from 3Q 2005 (r)	2006 (p)	2005 (r)	2006 from 2005 (p)
		51	Information	283,134	266,301	264,484	253,423	263,406	251,135	6.3	0.7	7.5	6.0	1,067,342
511	Publishing industries (except Internet)	75,958	71,323	X	X	X	X	6.5	X	X	X	X	X	X
51111	Newspaper publishers	13,211	11,618	X	X	X	X	13.7	X	X	X	X	X	X
51112	Periodical publishers	12,724	12,449	X	X	X	X	2.2	X	X	X	X	X	X
5111 pt	Book, directory and mailing list, and other publishers ²	14,015	14,582	X	X	X	X	-3.9	X	X	X	X	X	X
5112	Software publishers	36,008	32,674	32,135	30,781	33,176	29,120	10.2	1.7	8.5	12.2	131,598	119,623	10.0
512	Motion picture and sound recording industries ...	27,271	22,432	23,599	22,009	25,125	21,915	21.6	-4.9	8.5	2.4	95,311	92,129	3.5
515	Broadcasting (except Internet)	26,411	23,233	X	X	X	X	13.7	X	X	X	X	X	X
5151	Radio and television broadcasting	16,076	13,537	14,575	14,062	14,761	12,577	18.8	-7.1	8.9	7.6	58,250	53,520	8.8
5152	Cable and other subscription programming	10,335	9,696	X	X	X	X	6.6	X	X	X	X	X	X
516,	Internet publishing and broadcasting, Internet													
5181,	service providers and web search portals,													
519	and other information services	13,388	12,181	X	X	X	X	9.9	X	X	X	X	X	X
517	Telecommunications	121,783	119,260	X	X	X	X	2.1	X	X	X	X	X	X
5171	Wired telecommunications carriers	49,642	49,877	49,775	50,100	51,493	51,534	-0.5	0.2	-3.6	-3.2	199,394	206,781	-3.6
5172	Wireless telecommunications carriers (except satellite)	41,755	40,853	39,277	38,071	37,295	36,661	2.2	4.0	12.0	11.4	159,956	143,308	11.6
5175	Cable and other program distribution	24,426	22,785	X	X	X	X	7.2	X	X	X	X	X	X
517 pt	Other telecommunications ³	5,960	5,745	5,484	5,107	4,685	4,551	3.7	4.8	27.2	26.2	22,296	18,762	18.8
5182	Data processing, hosting, and related services	18,323	17,872	17,672	16,501	16,705	16,148	2.5	1.1	9.7	10.7	70,368	62,764	12.1
54	Professional, scientific, and technical services ⁴	308,502	288,618	X	X	X	X	6.9	X	X	X	X	X	X
54 pt	Professional, scientific, and technical services (except landscape architectural services and veterinary services) ⁵	302,722	282,412	288,758	279,934	281,723	259,028	7.2	-2.2	7.5	9.0	1,153,826	1,058,196	9.0
5411	Legal services	69,469	58,743	X	X	X	X	18.3	X	X	X	X	X	X
5412	Accounting, tax preparation, bookkeeping, and payroll services	25,856	23,268	28,794	34,631	23,563	21,420	11.1	-19.2	9.7	8.6	112,549	102,316	10.0
5413 pt*	Architectural, engineering, and related services ⁶	60,258	59,322	58,797	54,638	56,507	52,676	1.6	0.9	6.6	12.6	233,015	205,401	13.4
5413	Architectural, engineering, and related services ..	61,303	60,413	X	X	X	X	1.5	X	X	X	X	X	X
5413 pt	Architectural and related services ⁷	16,449	16,607	X	X	X	X	-1.0	X	X	X	X	X	X
54133	Engineering services	44,854	43,806	X	X	X	X	2.4	X	X	X	X	X	X
5415	Computer systems design and related services ...	51,436	48,919	49,754	48,591	48,360	47,494	5.1	-1.7	6.4	3.0	198,700	189,042	5.1
5416	Management, scientific, and technical consulting services	39,230	38,553	39,040	38,611	37,154	34,254	1.8	-1.2	5.6	12.6	155,434	137,931	12.7
5418	Advertising and related services	19,785	18,163	18,394	17,533	18,062	16,604	8.9	-1.3	9.5	9.4	73,875	66,865	10.5
541 pt*	Other professional, scientific, and technical services ⁸	106,157	94,187	93,979	85,930	98,077	86,580	12.7	0.2	8.2	8.8	380,253	356,641	6.6
541 pt	Other professional, scientific, and technical services ⁹	41,423	40,559	X	X	X	X	2.1	X	X	X	X	X	X
56	Administrative and support and waste management and remediation services ¹⁰	144,085	142,551	X	X	X	X	1.1	X	X	X	X	X	X
56 pt	Administrative and support and waste management and remediation services (except landscape services) ¹¹	132,038	130,432	130,928	126,567	127,927	122,968	1.2	-0.4	3.2	6.1	519,965	485,430	7.1
561*	Administrative and support services ¹²	114,570	113,050	113,754	110,660	110,357	106,084	1.3	-0.6	3.8	6.6	452,034	421,562	7.2
561	Administrative and support services ¹³	126,617	125,169	X	X	X	X	1.2	X	X	X	X	X	X
5613	Employment services	44,763	42,665	42,666	41,666	42,220	40,863	4.9	Z	6.0	4.4	171,760	160,318	7.1
5615	Travel arrangement and reservation services	8,498	8,660	8,826	7,713	7,590	7,506	-1.9	-1.9	12.0	15.4	33,697	30,334	11.1
561 pt*	Other administrative and support services ¹⁴	61,309	61,725	62,262	61,281	60,547	57,715	-0.7	-0.9	1.3	6.9	246,577	230,910	6.8
561 pt	Other administrative and support services ¹⁵	73,356	73,844	X	X	X	X	-0.7	X	X	X	X	X	X
562	Waste management and remediation services	17,468	17,382	17,174	15,907	17,570	16,884	0.5	1.2	-0.6	2.9	67,931	63,868	6.4

See footnotes at end of table.

Table 1. Selected Services - Estimated Quarterly Revenue for Employer Firms—Con.

[Estimates have not been adjusted for seasonal variation, holiday or trading-day differences, or price changes. Estimates are based on data from the Quarterly Services Survey and have been adjusted using results of the 2005 Service Annual Survey. Data beginning with the third quarter of 2006 are based on a new sample. All estimates are based on the 2002 North American Industry Classification System (NAICS). NAICS codes marked with an asterisk (*) correspond to a previously published level, that will not be included in future releases. For additional information see www.census.gov/qss]

2002 NAICS code ¹	Kind of business	Total revenue (millions of dollars)						Percent change				Year to date		
		4Q 2006	3Q 2006	2Q 2006	1Q 2006	4Q 2005	3Q 2005	4Q 2006 from 3Q 2006	3Q 2006 from 2Q 2006	4Q 2006 from 4Q 2005	3Q 2006 from 3Q 2005	2006 (p)	2005 (r)	2006 from 2005 (p)
		(p)	(r)	(r)	(r)	(r)	(r)	(p)	(r)	(p)	(r)			(p)
62 pt	Selected health care services ¹⁶	203,142	199,533	199,162	196,898	191,649	190,185	1.8	0.2	6.0	4.9	798,735	757,146	5.5
622	Hospitals	164,190	160,524	160,301	158,438	153,926	153,316	2.3	0.1	6.7	4.7	643,453	610,517	5.4
623	Nursing and residential care facilities	38,952	39,009	38,861	38,460	37,723	36,869	-0.1	0.4	3.3	5.8	155,282	146,629	5.9

(p) Preliminary estimate. (r) Revised estimate. X Not applicable. Z Less than .05 percent.

(*) NAICS definition corresponds to a previously published level. Data associated with this NAICS definition will not be published in future releases.

(1) Estimates are based on the 2002 NAICS codes. For a full description of the NAICS codes used in this table, see www.census.gov/epcd/www/naics.html. For information linking the 1997 NAICS to the corresponding 2002 NAICS, see www.census.gov/qss.

(2) Includes NAICS 51113 (book publishers), 51114 (directory and mailing list publishers), and 51119 (other publishers).

(3) Includes NAICS 5173 (telecommunications resellers), 5174 (satellite telecommunications), and 5179 (other telecommunications).

(4) Includes all of NAICS 54 (professional, scientific, and technical services) including 54132 (landscape architectural services) and 54194 (veterinary services).

(5) Includes all of NAICS 54 (professional, scientific, and technical services) except 54132 (landscape architectural services) and 54194 (veterinary services).

(6) Includes all of NAICS 5413 (architectural, engineering, and related services) except 54132 (landscape architectural services).

(7) Includes all of NAICS 5413 (architectural, engineering, and related services) except 54133 (engineering services).

(8) Includes NAICS 5411 (legal services), 5414 (specialized design services), 5417 (scientific research and development services), and 5419 (other professional, scientific, and technical services except 54194 (veterinary services)).

(9) Includes NAICS 5414 (specialized design services), 5417 (scientific research and development services), and 5419 (other professional, scientific, and technical services including 54194 (veterinary services)).

(10) Includes all of NAICS 56 (administrative and support and waste management and remediation services including 56173 (landscaping services)).

(11) Includes all of NAICS 56 (administrative and support and waste management and remediation services except 56173 (landscaping services)).

(12) Includes all of NAICS 561 (administrative and support services except 56173 (landscaping services)).

(13) Includes all of NAICS 561 (administrative and support services).

(14) Includes NAICS 5611 (office administrative services), 5612 (facilities support services), 5614 (business support services), 5616 (investigation and security services), 5617 (services to buildings and dwellings except 56173 (landscaping services)), and 5619 (other support services).

(15) Includes NAICS 5611 (office administrative services), 5612 (facilities support services), 5614 (business support services), 5616 (investigation and security services), 5617 (services to buildings and dwellings including 56173 (landscaping services)), and 5619 (other support services).

(16) Includes NAICS 622 (hospitals) and 623 (nursing and residential care facilities).

Note: Sector totals and subsector totals may include data for kinds of business not shown. Table 2 provides estimated measures of sampling variability. Data users who create their own estimates using data from this report should cite the U.S. Census Bureau as the source of the original data only. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at www.census.gov/svsd/www/qssreliability.html.

Table 2. Selected Services - Estimated Measures of Sampling Variability

[Estimates are shown as percents and are based on data from the Quarterly Services Survey]

2002 NAICS code	Kind of business	Median coefficient of variation for quarterly total revenue ¹	Median standard error ¹ for percent change		Coefficient of variation for year to date	Standard error for percent change
			Ratio of two consecutive quarters	Current quarter to current quarter last year	2006	2006 year-to-date from 2005 year-to-date
51	Information	1.3	0.4	1.7	1.0	1.2
511	Publishing industries (except Internet)	2.8	1.2	X	X	X
51111	Newspaper publishers	6.6	2.5	X	X	X
51112	Periodical publishers	8.3	1.6	X	X	X
5111 pt	Book, directory and mailing list, and other publishers	2.4	1.8	X	X	X
5112	Software publishers	4.0	2.4	8.9	2.8	6.7
512	Motion picture and sound recording industries	4.7	2.2	4.8	4.2	3.4
515	Broadcasting (except Internet)	2.7	0.5	X	X	X
5151	Radio and television broadcasting	4.8	0.9	7.2	3.5	5.4
5152	Cable and other subscription programming	1.7	0.1	X	X	X
516,	Internet publishing and broadcasting, Internet					
5181,	service providers and web search portals,					
519	and other information services	5.1	2.4	X	X	X
517	Telecommunications	1.8	0.5	X	X	X
5171	Wired telecommunications carriers	3.2	0.4	3.8	2.4	2.9
5172	Wireless telecommunications carriers (except satellite)	1.6	1.4	1.8	1.2	1.2
5175	Cable and other program distribution	2.0	0.2	X	X	X
517 pt	Other telecommunications	4.3	1.6	22.7	5.0	14.7
5182	Data processing, hosting, and related services	5.8	1.4	9.7	4.6	7.2
54	Professional, scientific, and technical services	3.0	1.0	X	X	X
54 pt	Professional, scientific, and technical services (except landscape architectural services and veterinary services)	3.2	1.0	4.3	2.5	3.1
5411	Legal services	8.0	3.8	X	X	X
5412	Accounting, tax preparation, bookkeeping, and payroll services	7.9	3.4	11.8	5.7	8.6
5413 pt*	Architectural, engineering, and related services	6.4	1.7	8.6	4.9	7.0
5413	Architectural, engineering, and related services	6.2	1.7	X	X	X
5413 pt	Architectural and related services	12.4	4.0	X	X	X
54133	Engineering services	9.1	1.9	X	X	X
5415	Computer systems design and related services	5.4	1.7	8.0	4.4	6.2
5416	Management, scientific, and technical consulting services	5.8	1.3	7.0	5.8	5.4
5418	Advertising and related services	4.0	1.7	5.1	3.3	3.5
541 pt*	Other professional, scientific, and technical services	4.7	1.8	7.1	4.0	Z
541 pt	Other professional, scientific, and technical services	4.3	1.6	X	X	X
56	Administrative and support and waste management and remediation services	3.7	1.4	X	X	X
56 pt	Administrative and support and waste management and remediation services (except landscape services)	3.8	1.6	6.2	2.7	4.8
561*	Administrative and support services	3.7	1.7	6.4	2.7	4.9
561	Administrative and support services	3.6	1.5	X	X	X
5613	Employment services	6.7	1.3	12.7	5.7	9.2
5615	Travel arrangement and reservation services	6.0	2.8	9.0	4.8	6.5
561 pt*	Other administrative and support services	4.8	2.5	6.2	3.6	4.8
561 pt	Other administrative and support services	4.6	2.2	X	X	X
562	Waste management and remediation services	8.4	1.5	13.3	6.4	10.4

See footnotes at end of table.

Table 2. Selected Services - Estimated Measures of Sampling Variability—Con.

[Estimates are shown as percents and are based on data from the Quarterly Services Survey]

2002 NAICS code	Kind of business	Median coefficient ¹ of variation for quarterly total revenue	Median standard error ¹ for percent change		Coefficient of variation for year to date	Standard error for percent change
			Ratio of two consecutive quarters	Current quarter to current quarter last year	2006	2006 year-to-date from 2005 year-to- date
62 pt	Selected health care services	3.3	0.6	4.2	2.5	3.1
622	Hospitals	4.7	0.8	5.3	3.5	4.0
623	Nursing and residential care facilities	3.4	0.8	5.9	2.7	4.3

X Not applicable. Z Less than .05 percent.

(*) NAICS definition corresponds to a previously published level. Data associated with this NAICS definition will not be published in future releases.

(1) The medians are based on estimates from the second quarter of 2006 through the fourth quarter of 2006.

Note: The measures of sampling variability shown in this table may be overstated. They will be recomputed prior to the next release. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at www.census.gov/svsd/www/qssreliability.html.

Survey Description

The U.S. Census Bureau conducts the Quarterly Services Survey (QSS) to provide national estimates of quarterly revenue for employer firms located in the United States and classified in select service industries. The QSS sample includes firms classified in NAICS 51 (Information services), NAICS 54 (Professional, scientific, and technical services except landscape architectural services and veterinary services), NAICS 56 (Administrative and support and waste management and remediation services except landscape services), or NAICS 62 (Hospitals and nursing and residential care facilities). Each quarter, questionnaires are mailed to a probability sample of approximately 6,000 employer firms selected from the larger Service Annual Survey (SAS) sample. The QSS sample includes firms of all sizes and is updated on a quarterly basis to account for new service businesses, deaths, and other changes to the survey universe. Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. For NAICS 51 (Information sector), imputed revenue amounts to about 10 percent of the total revenue estimate; for NAICS 54 (Professional, scientific, and technical services except landscape architectural services and veterinary services) imputed revenue amounts to about 24 percent; for NAICS 56 (Administrative and support and waste management and remediation services except landscape services) imputed revenue amounts to about 30 percent, and for NAICS 62 (Hospitals and nursing and residential care facilities) imputed revenue amounts to about 23 percent. Quarterly revenue estimates are obtained by summing weighted data (either reported or imputed), where the weight for a particular unit is the reciprocal of its probability of being selected into the sample. The quarterly revenue estimates are adjusted using SAS results. Additional information on the QSS can be found on the Census Bureau website at: www.census.gov/qss.

Reliability of the Estimates

The estimates in this report may differ from the actual, but unknown, population values. For a particular estimate, statisticians define this difference as the total error of the estimate. When describing the accuracy of survey results, it is convenient to discuss total error as the sum of sampling error and nonsampling error.

Nonsampling error is the difference between the actual population parameter and the value that would be derived by surveying the entire set of units identified as the survey universe (the sampling frame). There are many potential contributors to nonsampling error – the inclusion of erroneous units in the survey (overcoverage), the exclusion of eligible units from the survey (undercoverage), nonresponse, misreporting, mistakes in recording and coding responses, misinterpretation of questions, and other errors of collection, response, coverage, or processing. Though nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of error.

Sampling error is the average difference between the estimate and the result that would be obtained from a complete enumeration of the sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Common measures of sampling error are the sampling variance, the standard error, and the coefficient of variation (CV). The sampling variance is defined as the squared difference, averaged over all possible samples of the same size and design, between the estimator and its average value. The standard error is the square root of the sampling variance. The CV expresses the standard error as a percentage of the estimate to which it refers. For example, an estimate of 200 units that has an estimated standard error of 10 units has an estimated CV of 5 percent. The sampling variance, standard error, and CV of an estimate can be estimated from the selected sample because the sample was selected using probability sampling. Standard errors and coefficients of variation are given in Table 2 of this report.

The first page of this release gives statements about the change in revenue from a prior period. Each change estimate is accompanied by a number in parentheses, called the “margin of error.” The margin of error can be used to construct a 90-percent confidence interval, which is interpreted as follows. If, for each possible sample, an estimate and its approximate standard error are obtained, then for approximately 90 percent of the possible samples, the interval from 1.65 standard errors below to 1.65 standard errors above the estimate would include the average of the estimates derived from all possible samples. If, for example, a particular change estimate is +1.2 percent and its associated margin of error is ± 1.5 percentage points, then the 90-percent confidence interval for the change estimate is -0.3 percent to +2.7 percent. If the interval contains 0, then one does not have sufficient evidence to conclude at the 90-percent confidence level that the actual change is different from zero. Each comparison stated in this report has undergone statistical testing and is significant at the 90-percent confidence level, unless otherwise noted.

Data users should take into account the estimates of sampling error and the potential effects of nonsampling error when using the statistics in this publication.