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## CHAPTER 11

# REVIEW AND EVALUATION OF WEALTH DATA: THE NONCOMMODITY-PRODUCING INDUSTRIES

### TRANSPORTATION

Available data related to transportation wealth are good. No other major industrial group reports information in richer detail. The comparability of this detail is high since the use of uniform systems of account, which govern the classification of transactions, is common in the transportation sector.

The major sources of data on the transportation sector are the annual reports filed with Federal regulatory agencies. However, this pattern of reporting is responsible for the major defect in transportation data: when an agency has no regulatory interest in a segment of an industry, it cannot require that segment to file reports. While the lapse in coverage is most pronounced in connection with intrastate commerce, it also is observable with some kinds of interstate transportation. This checkerboard pattern of coverage contrasts with that found in those sectors subject to economic censuses, e.g., manufacturing or agriculture, where the collection of global data is a major objective.

The transportation sector consists of seven major industrial groups within the "Standard Industrial Classification Manual":

<i>Title</i>	<i>Group No.</i>
Railroad transportation.....	40
Local and suburban transit and interurban passenger transportation.....	41
Motor freight transportation and warehousing.....	42
Water transportation.....	44
Transportation by air.....	45
Pipeline transportation.....	46
Transportation services.....	47

Available data about each will be reviewed briefly. Attention first will focus on the completeness of statistical coverage and the identity of the data collection agency. Later, the asset data contained in the regulatory reports will be discussed.

#### STATISTICAL COVERAGE OF THE TRANSPORTATION INDUSTRIES

Railroad transportation now accounts for two-thirds of the gross investment in transportation. Each company within the industry is required to file an annual report with the Interstate Commerce Commission.

Until recently, the only Federal reporting program operating in the area of interurban passenger transportation was that of the ICC which required reports from highway passenger carriers engaging in interstate commerce. The bus and truck carrier survey, one element of the 1963 Census of Transportation, reaches for-hire operators not

regulated by the ICC. The 1963 questionnaire, however, does not request any data on the value of tangible assets. Several industries within the major group remain uncovered by any Federal statistical program. They include local transit companies (other than bus companies), taxicabs, schoolbuses, and certain service facilities operated in connection with motor vehicle passenger transportation.

Most elements of motor freight transport and public warehousing are within the scope of one of three Federal reporting programs. The ICC, of course, receives annual reports from most motor carriers in interstate commerce. The bus and truck carrier survey has sampled the remainder of the motor carrier universe. No value data on tangible assets were collected. Public warehousing is within scope of the quinquennial census of business, but no value data on assets are now being collected.

Water carriage is the most poorly covered of the major transportation industries. Only about one-third of the deep-sea carriers report to one of the three regulatory agencies with responsibilities in this area. The agencies include the Federal Maritime Commission, the Interstate Commerce Commission, and the Maritime Administration. Inland water carriers also are inadequately reported. While the ICC does receive reports from some interstate carriers, others are exempt from regulation. There is no coverage of local carriage or shore facilities by any statistical agency.

The interstate character of air travel insures that the bulk of this industry's assets are owned by carriers subject to regulation by the Civil Aeronautics Board. That still leaves a number of contract carriers and intrastate common carriers which do not report financial data to any agency. A similar problem exists with regard to operators of airports and related terminal services.

Interstate common carriers by oil pipeline are regulated by the ICC. Nearly all pipeline companies operate in interstate commerce.

Of the service industries related to transportation, only one—private carlines—owns a significant amount of tangible assets. All lines except those with fewer than 10 cars report to the Interstate Commerce Commission. Coverage of the remaining transportation service industries is uneven. It ranges from good, in the case of stockyards, which are regulated by the Department of Agriculture, to nonexistent in the case of certain other minor industries which are not subject to any Federal reporting programs.

#### CONTENTS OF THE TYPICAL REGULATORY REPORT

Regulatory reports are similar in structure and content. The reports required from the various modes are of one family. The reports filed by water carriers whether to the ICC or one of the maritime agencies share a high number of common schedules. This feature of transportation reporting makes it possible to review data availabilities in terms of a hypothetical general regulatory report. The report discussed will be that used by the larger economic units within a particular industry. Junior reports, which provide less detail than the senior report, are prescribed for smaller economic units in some industries. The effects of differential reporting requirements vary insofar as wealth estimates are concerned. In the case of railroads, they are unimportant since 90 percent of the assets are owned by roads filing the senior report. In

addition, the junior report for railroads is unusually detailed. On the other hand, most truckers file one of two versions of a junior report, the least detailed of which provides no value data on tangible assets.

Three classes of data which relate to wealth estimates are found in the general regulatory report. The first category comes from the balance sheet; the second comes from the income statement; the third class of data describes the physical characteristics of certain properties.

The typical balance sheet has three entries relating to tangibles:

Material and supplies.

Carrier property.

Miscellaneous physical properties.

This early distinction between tangibles used in transportation and those used in other activities is fortunate. A common drawback of company reports from other economic sectors is their failure to relate assets to specific economic activities.

The typical report contains schedules supporting the latter two entries above. Carrier property is spread among a half dozen to four dozen primary accounts. Vehicles are separated from other equipment types. These primary accounts generally provide sufficient asset-type detail for making wealth estimates. There will be minor problems, of course, in translating some primary-account categories into asset-type classes.

With regard to carrier properties, the major deficiencies in the typical report include the lack of value data distributed by the States in which the properties are located; also the lack of value data distributed by the age of the properties. Some basis for the former is needed if there are to be regional wealth estimates; the age distribution of book values is required if book figures are to be converted into present-day dollars.

The schedule supporting the balance sheet account "Miscellaneous physical properties" does not distribute the value by primary accounts. Rather, each property considered as an entity is identified along with the associated book cost. The location of the property is often shown. In preparing wealth estimates it will be necessary to distribute the value of individual properties by their constituent asset classes and to collect values by age.

Information from the income statement and related schedules is necessary since they are the data source for rental payments and receipts. Rental payments in the typical report are classified in three ways. Some payments will be associated with the lease of particular asset types. This is preferable for wealth purposes. Unfortunately, the typical report throws some rental payments into accounts also containing other types of expenses, while other payments are grouped in an all-purpose rent account.

The third category of needed data is the value of assets leased to other sectors, by asset type. The bulk of these assets is recorded in the balance sheet account "Miscellaneous physical properties." As indicated earlier, miscellaneous properties considered to be operating entities usually are identified in a supporting schedule. Typically, the associated revenues (rents) also are shown. Some problem can be anticipated in using these data when they relate to operating entities consisting of more than one asset type, e.g., a business enterprise.

Data relating to the physical characteristics of tangible assets are useful as supplementary measures of wealth. The typical regulatory report contains such data. The focus of these data is on vehicles. At a minimum, simple counts by type are available. Sometimes they are distributed by other characteristics. The reports of some industries (water carriers, for example) require that each vehicle (vessel) and its physical characteristics be enumerated separately.

### COMMUNICATIONS AND PUBLIC UTILITIES <sup>1</sup>

Available data on the utilities sector rank with those for the best reported segments of transportation. The comparability of these data among like companies is unexcelled by any other economic sector. Detailed financial reporting on prescribed forms and according to uniform accounting procedures is characteristic of the utilities sector.

The major sources of data on the sector are the annual reports filed with Federal and, to a much lesser extent, State regulatory agencies. State reports represent a data source for industries not well covered by Federal reporting programs. Fortunately, since many utilities are subject to regulation by both levels of government, there has been a strong tendency to standardize report forms and accounting procedures. Even in the water utility industry, where there is no Federal regulatory interest, many States have adopted uniform accounting systems.

#### REPORTING VEHICLES FOR THE SECTOR

In the paragraphs immediately following, each major industrial component of the utilities sector is discussed with a view to determining whether existing data-collection vehicles provide adequate coverage. Attention is then focused on the adequacy of collected data in terms of the requirements for making wealth estimates.

Ninety-five percent of the tangible assets of the telephone industry are owned by the 75 companies filing reports with the Federal Communications Commission. Several hundred additional companies file less detailed but nevertheless compatible reports with the United States Independent Telephone Association. Over 2,000 other telephone firms with aggregate assets of \$0.5 billion do not report data to either organization. Practically all States regulate telephone service, and most of these require annual reports. Copies of these might be required in the benchmark year. These reports are believed to be compatible with the FCC report.

The telegraph industry is composed of fewer than 12 companies. Each reports to the Federal Communication Commission. Radio and television broadcast service is regulated by the FCC. Each station and network is required to file an annual report. Excluded from the annual report requirement are certain television relay operations. The data provided by broadcasters are not detailed nor are they compiled under uniform systems of account. In these respects, broadcast data compare unfavorably with statistics from most other industries in the utilities sector.

<sup>1</sup> Throughout this summary, the phrase "utilities sector" will refer to the communications, and electric, gas, and sanitary services industries belonging to major groups 48 and 49 of the Standard Industrial Classification. Companies within a few of these industries, of course, are not commonly categorized as public utilities, e.g., broadcasting.

Data on the assets of practically all investor-owned electric companies are reported to the Federal Power Commission. Nearly all cooperatively owned electric utilities report to the Rural Electrification Administration. Both agencies have prescribed similar systems of account, and their reports are compatible.

Information on slightly more than one-half the assets of the gas industry are contained in annual reports filed with the Federal Power Commission. Gas companies owning the remainder of the industry's tangibles are exempt from Federal reporting requirements. However, most of them voluntarily file data with the American Gas Association; in addition, most of these companies are required to file reports with State commissions. The general compatibility of systems of account and annual report forms among the States has been pointed out.

Privately owned water companies are regulated in about 40 States. At least one-half of them follow the same system of accounts (developed by the National Association of Railroad and Utilities Commissioners) and report comparable data. The significance of the diversities in the data reported by companies in the other States which require reports is not known.

Two of the minor industries in the utilities sector are covered by Federal statistical program. The Public Health Service in cooperation with the States periodically collects data on sewerage systems, including those which are privately owned. Irrigation companies are the subject of a decennial census as part of every second census of agriculture. No value data are collected through either the PHS or Census Bureau programs. The remaining minor industries within the utilities sector (as defined in the Standard Industrial Classification) are not covered by a Federal statistical program. They include communication services, not elsewhere classified (4899); combination companies and systems, not elsewhere classified (4939); refuse systems (4953); sanitary services, not elsewhere classified (4959); and steam supply (4961).

#### ADEQUACY OF REGULATORY REPORTS

Considerable structural similarity exists among the reports of telephone, telegraph, electric, gas, and some water companies, due to the tendency to standardize accounting procedures. Given this similarity, it is possible to consider the general adequacy of these reports for purposes of wealth estimates by reviewing a constructed composite regulatory report.

The general balance sheet of the composite regulatory report contains three major accounts relating to tangible assets: "Utility plant"; "Nonutility property"; and "Materials and supplies."

The major component of "Utility plant" is "plant in service." The balance in this account is in turn spread among several dozen primary accounts. Each of these refers to specific types of assets; e.g., land, structures, equipment, etc. These asset types are repeated under each of a half-dozen functional groupings. These bring together the land, structures, and equipment (usually spread in turn among specific classes) used by the utility in performing specific major functions; e.g., storage, transmission, distribution, etc. The primary accounts for "plant in service" are in sufficient detail for wealth estimating purposes.

At any point in time, it is possible that some utility plant is not in service. Accounts have been established for these various contingencies. Among them are "completed construction not classified," "plant under construction," and "plant held for future use." Supporting schedules exist for many of these accounts.

Supporting schedules also are to be found in the composite regulatory report for the other two general balance sheet accounts. Each nonutility property of consequence is identified, and its cost is shown. Another schedule distributes the balance in "Materials and supplies" among its various subcategories.

Data available from the composite regulatory report on rental receipts and payments are not satisfactory since it is not usually possible to associate them with particular kinds of rented properties. In the case of certain assets used in utility operation (rented vehicles, business machines, etc.), the composite report groups the rental expenses with nonrental expenses. The major drawback of the data found in the composite regulatory report is that they do not afford a basis for a geographical distribution of tangible assets. (This statement is correct with regard to the report filed with FCC by telephone carriers; however, Bell companies, which account for 85 percent of the industry, furnish FCC a State-by-State property separation in connection with other regulatory requirements.) Of course, this statement applies only to multi-State communication and public utility firms. It will be necessary for multi-State firms to provide data needed for this distribution. The utilities sector will be able to provide these data more efficiently than other industrial sectors. Firms subject to FCC regulation are required to account for substantial portions of their tangibles on a plant-by-plant basis. In addition, the interest of State taxing authorities in utility properties as well as the prevailing pattern of State regulation of intrastate utility activities suggest that State-by-State distributions of tangibles can be prepared readily.

The generally high quality of utility accounting records again will be apparent in the collection (probably on a sample basis) of the age distribution of gross book-value data required in the revaluation effort. The annual regulatory reports, of course, do not provide such data. The special reports filed by Bell companies with the FCC (referred to above) provide the required information for that segment of the telephone industry.

### TRADE

A review of existing data shows there is more complete information on inventories than for fixed tangible assets owned by the wholesale and retail trades. Major gaps or deficiencies on existing data may be listed as follows:

1. Inadequate information on an establishment basis. Even the available inventory data are, in many cases, on a company basis.
2. Inadequate breakdowns of depreciable assets by asset type. IRS and Census data refer to total depreciable assets.
3. Variations and inconsistencies in valuation methods. While these can never be overcome completely, a wealth inventory can impose more order on the figures than now exists.

4. Little or no information about physical-asset units, except for data on square footage of wholesale trade establishments.

5. Little or no information about wealth owned by other sectors but used in trade. The relatively high ratio of leased-to-owned capital in trade makes data on a use basis particularly valuable.

The major data collection programs in the trade sector are conducted by the Census Bureau and the Internal Revenue Service. Their chief similarity is their scale: each program has periodic contact with every economic unit within the sector. Major dissimilarities arise with respect to the kind of information collected, the frequency of collection, and the definition of the reporting economic unit.

The IRS statistical program compiles information from annual tax returns filed by corporations, partnerships, and sole proprietorships. These economic units may engage in more than one activity (sole proprietors are supposed to file a separate schedule for each activity) and operate in more than one location. Each unit, regardless of form of organization, reports total inventories. Corporations and some partnerships, but not sole proprietorships, file balance sheets showing values for land and depreciable assets, the latter on both gross and net bases.

The shortcomings of the IRS data are clear after the foregoing recitation of their characteristics. The depreciable assets are not distributed by asset type nor, in the case of multi-industry companies, related to each industrial activity, although most trade companies are highly specialized industrially. The location of tangible assets is not shown, although it can be inferred from the address of the taxpayer. While the inferred area of location would be correct for most trade firms operating only one establishment, it clearly would be incorrect in situations involving the larger multi-establishment companies.

The major relevant program of the Census Bureau is the quinquennial census of business which collects data from every trade establishment. At present, however, only the questionnaires for wholesale establishments are being used to collect data material to wealth estimates, and those data relate only to inventories. Some supplementary physical detail on spatial facilities also is collected from wholesalers through the quinquennial censuses. The advantages of utilizing an establishment-level program for the collection of required wealth data include the provision of more homogeneous data for kind-of-business analysis and of data by geographic location, although the latter detail considerably increases costs.

Two other Census programs provide some wealth-related data. The annual retail trade report shows the cost value of year-end inventories for two- and some three- and four-digit industries. Data are obtained from a probability sample of establishments, with total coverage of those belonging to large multi-unit companies. The latter report inventories on a company basis.

The 1963 census company summary form (described in ch. 10 in connection with the manufacturing sector) is also being sent to about 1,500 large multi-unit wholesale and retail companies. The company form will collect inventory figures, as well as data on gross and net depreciable assets. The assets of multi-unit trade companies engaging

in only one industrial activity might be allocated by establishment, using sales or some other weighting factor.

There also are a number of minor statistical programs which provide information on trade. The Harvard Business School has collected average inventory turnover-rate data for some classes of retailers. (The maintenance of these series is being transferred to other institutions.) Annual ratios published by Dun's Review relate inventories to various balance sheet and income statement items. The "Statement Studies" of Robert Morris Associates present data on inventories and the net fixed assets of a nonrandom sample of 9,000 retail and wholesale firms distributed among several dozen lines of trade. The usefulness of these programs is limited. At best, the data collected might serve as rough consistency checks.

### FINANCE, INSURANCE, AND REAL ESTATE

Existing wealth-related data on the finance, insurance, and real estate (FIRE) sector are unsatisfactory in many respects. There are limited possibilities for improvement of these data through the single reporting program which covers the sector in its entirety.

#### SCOPE OF THE SECTOR AND MAJOR ASSET

The FIRE sector is composed of the following eight SIC major groups.

<i>Title</i>	<i>Major group No.</i>
Banking-----	60
Credit agencies other than banks-----	61
Security and commodity brokers, dealers, exchanges, and services-----	62
Insurance carriers-----	63
Insurance agents, brokers, and service-----	64
Real estate-----	65
Combinations of real estate, insurance loans, law offices-----	66
Holding and other investment companies-----	67

The major component of the sector's tangible assets is the rental property reported by individual taxpayers on IRS form 1040. The next largest component is reported by corporations, partnerships, and sole proprietorships classified within real estate, major group 65. Less than 10 percent of the sector's tangible wealth is owned by the remaining SIC major groups. Even within these, real estate is the most important type of tangible asset.

#### STATISTICAL COVERAGE

The Internal Revenue Service is the only current source of wealth-related data for the FIRE sector as a whole. A few alternative data-collection vehicles exist for various parts of the sector through the statistical programs of other Federal agencies and the State insurance commissions. However, these alternatives cover industries owning only a small part of the sector's tangible assets. These statistical programs are operated by Federal and State supervisory agencies. These agencies and the SIC major groups (or industries) which are supervised include the following:

Banking is covered in large part through reports filed with the Federal Reserve banks, Federal Deposit Insurance Corporation, and Treasury Department. Some of the other credit agencies are supervised by the Federal Home Loan Bank Board (savings and loan associations), Farm Credit Administration (agricultural credit institutions), and the Bureau of Federal Credit Unions. The Securities and Exchange Commission and Commodity Exchange Authority receive statements from brokers. Insurance carriers are required to file reports with the States in which they operate. These firms also file a copy of their report with the IRS along with the tax return. Lessors of railroad property (classified within major group 65, real estate) are regulated by the Interstate Commerce Commission.

The reports of banks, other credit agencies, and insurance carriers are similar in some respects. The balance sheets which they file separate the value of occupied premises from that of other real estate. Furniture, fixtures, and equipment are grouped into a third account. Emphasis in the balance sheet is on book or current values. Original or acquisition costs (before depreciation and other adjustments) either are not reported or are shown in supplementary schedules. The publicly reported information from banking and other credit agencies will have to be supplemented by additional data, some of which could be obtained from supervisory-agency examination reports. The location of tangible assets must be determined. Acquisition or original costs must be linked with acquisition dates or periods in order to prepare estimates of gross reproduction cost. Physical detail on real estate is desirable as an adjunct to the value estimates.

The insurance carrier reports to State commissions appear to provide data needed for revaluation but none on the physical characteristics of the real estate holdings.

The nonstandardized statements presently filed by securities and commodity brokers do not focus on tangible assets. These business units could complete a special schedule on tangibles in the benchmark year as part of their annual report to the supervisory agency.

The reports of railroad lessors to the ICC are in considerable detail and parallel those of operating railroads. The adequacy of these reports is considered in a section of the transportation sector review.

The Internal Revenue Service, the only data source for the bulk of the FIRE sector's tangibles, currently receives balance sheets from corporations and many partnerships. Gross values are reported on the tax form for land, depreciables, and depletable assets. Claimed depreciation is supported by a schedule calling for information on the kind of property, date of acquisition, and cost. However, experience with this schedule shows that there is wide variation in the way in which it is completed and that because of this, it will not provide data needed for revaluation.

The tax form falls short in other vital aspects. It does not relate assets to activities, a necessary distinction in the case of multi-industry companies; but fortunately the multi-industry enterprise is less prevalent in the FIRE sector than in most others. The location of the assets of multistate business units is not shown. Finally, the tax form provides no supplementary physical detail on tangible assets. It is possible that some of the information required from corporations and, perhaps, partnerships could be collected appropriately by the tax agency

through a special program using a sample of reporting firms. On the other hand, since other required information is clearly irrelevant to the tax-collection function, it may be necessary to institute a census (or survey) designed to serve wealth needs.

The tangible assets of sole proprietorships classified in the FIRE sector and the rental properties of individuals (these last being the largest component of FIRE wealth) create much less problem than the wealth of FIRE corporations and partnerships. Data from individuals concerning their holdings of business property would be collected through the survey of household wealth discussed earlier in chapter 9.

### SERVICES

The scope of concern of the working group on wealth in the service industries is broad and encompasses heterogeneous subsectors. In terms of the SIC numerical coding system, it includes all major groups beginning with 7 or 8 except SIC 88, households. Among the major groups are all private nonprofit and many profitmaking industries.

Because of the absence of data, it is difficult to assess the importance of the services sector as a whole and of its various parts. The data which are available are summarized in table 9. The footnotes to the table serve to point up limitations of the data.

TABLE 9.—*Wealth estimates for the various service subsectors*

[Billions of dollars]

1. Profitmaking service industry firms—book value of fixed assets and land for firms with fiscal years ending July 1, 1959, to June 30, 1960...	<sup>1</sup> 31.9
2. Hospitals—book value of plant for voluntary and proprietary hospitals at the end of 1962 (excludes equipment).....	<sup>2</sup> 7.7
3. Institutions of higher education—book value of plant and equipment of private institutions for fiscal years ending during 1960.....	<sup>3</sup> 5.7
4. Labor unions—totals assets, including intangibles at the end of 1960...	<sup>4</sup> 7
5. Labor union pension funds—total assets including intangibles at the end of 1960.....	<sup>4</sup> 33.0
6. Religious organizations—book value of religious edifices and parsonages compiled by the 1936 Census of Religious Bodies, plus the sum of construction expenditures from 1937 through 1962 (\$10, 500,000,000).....	<sup>5</sup> 14.2
7. Charitable foundations—value (mixed market and book) of the tangible and intangible assets based on records available in 1963.....	<sup>6</sup> 14.5

<sup>1</sup> For derivation of this total see table I of app. II, pt. N, Report of the Working Group on Wealth in the Service Industries.

<sup>2</sup> "Journal of the American Hospital Association," Aug. 1, 1963.

<sup>3</sup> "Financial Statistics of Institutions of Higher Education," U.S. Office of Education. An estimate of book value of plant for public institutions, based on the ratio of the number of public to private school buildings of higher educational institutions as of Dec. 31, 1957, is \$7,700,000,000.

<sup>4</sup> "Office of Labor-Management Reports," Department of Labor.

<sup>5</sup> The total assets of religious and charitable institutions are currently estimated at \$54,800,000,000 by the National Conference of Christians and Jews. This figure is up 170 percent from 20 years earlier.

<sup>6</sup> Foundation Library Center, "The Foundation Directory," 1964.

### REVIEW OF EXISTING DATA

Industries within this sector have been regrouped in a limited way in order to improve the significance of data aggregates. The review of data follows the recommended sectoring.

The private profitmaking services subsector includes all organizations existing primarily to make a profit except proprietary hospitals

which are included as a subcategory of all hospitals—profit and non-profit. Data on the profitmaking services industries are available primarily from two sources—the IRS and the census of business. The former source is more comprehensive than the latter. It covers both division 7 and division 8 industries in three-digit details on a company basis, and provides the only direct data on wealth on a wide-scale basis—gross and net book value. The Census Bureau data cover division 7 establishments only and are limited to physical counts of selected tangible assets, such as the number of vehicles owned and leased by laundry and cleaning establishments. Also, capital expenditures data have been collected on a sample basis for census years.

Data for the hospital subsector are collected by the American Hospital Association. These data include plant plus reserves for future buildings minus depreciation at book value, physical inventories for beds and certain other facilities, and the book value of financial assets, broken down for proprietary, private nonprofit, and government hospitals. Private nonprofit and, of course, proprietary hospitals are required to file tax returns with IRS.

For the private nonprofit education subsector (including libraries and nonprofit educational and scientific research organizations), the only comprehensive data available are those for higher educational institutions. These data were collected by the U.S. Office of Education in connection with a study to be published under the title "Inventory of College and University Physical Facilities, December 31, 1957," part 3 of the five-part "College and University Facilities Survey." The data, coded and edited for transfer to IBM cards, include information on plant-fund investment at historical cost, geographical detail by State, date of original occupancy and rehabilitation (if any), type of construction, number, condition, and size of buildings, and the estimated current value of the facilities. Data on the book value of plant and changes therein are collected biennially for another Office of Education report, "Financial Statistics of Institutions of Higher Education." Apart from these data on higher educational institutions, some limited information, useful primarily as a register, is found in the American Council on Education's "American Junior Colleges" and the "Porter Sargeant Handbook" which covers private elementary and secondary schools. The only comprehensive data for these schools were collected as part of a 1962 Office of Emergency Planning inventory of instructional rooms in school plants. It is understood that religious bodies have summary data on the schools which they operate.

Only fragmentary data exist for museums, art galleries, and botanical and zoological gardens. The data consist of responses to about 3,000 of over 6,000 questionnaires sent out by the American Museum Association. The survey included questions relating to square feet of floor space, the cost per cubic foot, and type of construction of new additions. Museums are required to file balance sheets with IRS.

Since 1960, labor unions and labor union pension funds have been required to file asset reports with the Office of Labor-Management Reports of the Department of Labor. Labor unions with annual receipts of \$30,000 or more report book values for land by specific location, buildings by specific location, automotive equipment, office furniture

and equipment, other fixed assets and depreciation. Pension funds report the book value of operated real estate, and other fixed assets. Totals for each of the subcategories of fixed assets have not yet been tabulated but will be shortly. Both labor unions and their pension funds are required to file balance sheets with IRS.

Data on religious bodies have been lacking since the last census of religious bodies was taken by the Census Bureau in 1936. The National Council of Churches of Christ in the U.S.A., publishes "The Yearbook of American Churches," which contains a presumably exhaustive list of religious bodies.

Charitable organizations fall into two major classes—foundations usually established by one or a group of persons, and charities supported by some level of government or by the general public. The only basic data source on the former is "The Foundation Directory." It is compiled by the Foundation Library Center from IRS figures and those provided directly by the foundations. No data are systematically reported for charities supported by government or the general public. Fragmentary data may be available from annual reports of the various charities and from financial data they are required to file to achieve participation in local community fundraising drives.

No data are available for miscellaneous nonprofit organizations. The sector is composed mainly of business, professional, social, fraternal, political and civic membership organizations. Each of these except fraternal organizations is supposed to file balance sheets with IRS.

#### DATA OBJECTIVES AND PRIORITIES

Because of the many different components of the services sector and the lack of data for many of them, priorities have been recommended for achieving the overall goals of the wealth inventory. These priorities follow in order of their importance:

- (a) Total wealth broken down into the private and nonprofit sector on both ownership and use basis, the latter being of particular interest since asset leasing is extremely important in many service industries;
- (b) A breakdown of both of these two totals into land, structures, equipment and inventories;
- (c) Industry detail to the greatest extent possible;
- (d) Regional detail on a four- or nine-region basis;
- (e) Asset-size detail for selected industries.

To obtain these goals, much more comprehensive coverage of certain industries is required. IRS data should be used to the greatest extent possible. Special attention should be given to determining exactly what IRS data are available for nonprofit institutions and tabulations should be made wherever appropriate. The assistance of the Library Foundation Center and the United Community Funds and Councils of America should be sought in order to fill gaps and supplement IRS totals on charitable foundations, and charities supported by the general public, respectively. If IRS data are not available for museums, art galleries, and botanical and zoological gardens, the American Association of Museums should be encouraged to collect such data. The Office of Education should obtain gross

book-value data for private elementary and secondary schools and junior colleges, thus extending the scope of its wealth data coverage, currently limited to institutions of higher education. The Census Bureau should be authorized to resume the census of religious bodies, but past breakdowns by religious sect are not necessary for wealth estimates. All nonprofit organizations not classified elsewhere, such as fraternal organizations and athletic clubs, should be the responsibility of the Census Bureau, if they are not required to report to IRS.

The data-collection efforts in the service sectors, as described above, require coordination which should be provided by the Census Bureau.

