December 19, 2025

Updated Methodology for Calculating Occupational Hourly Rates

When engaging in rulemaking or certain other Commission actions, the Commission considers, among other things, the costs or burdens on affected parties of complying with regulatory requirements.[1] Where appropriate or required, to inform this consideration, Commission staff monetize certain of these costs or burdens by multiplying an estimate of the number of hours that individuals—either employed or retained by affected parties—will need to spend to meet the regulatory requirement by the hourly rates for the cost of utilizing those individuals. Commission staff use estimates of the hourly rates for occupations ("occupational hourly rates") that affected parties are likely to use.[2] This memorandum describes updated data sources and methodology that Commission staff will generally use for calculating the occupational hourly rates.[3]

In addition, this memorandum includes two appendices. Appendix I lists the occupational hourly rates for 2025 for some common occupations implicated by Commission rules. Appendix II lists, for reference, selected values for the nonwage cost adjustment factor for occupational hourly rates, as discussed in Section 2.3 below, over the period 2013-2025.[4]

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[1] For example, the Commission quantifies expected costs of its rules to the extent possible. *See Current Guidance on Economic Analysis in SEC Rulemakings* 9-13 (Mar. 16, 2012), *available at* https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf. In addition, certain provisions in the Paperwork Reduction Act require estimation of burdens. *See* 44 U.S.C. § 3507 (prohibiting an agency from sponsoring or conducting a collection of information without procedures required by the statute, including estimation of the burden that will result from the collection of information); *see also* EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, A GUIDE TO THE PAPERWORK REDUCTION ACT: CREATING A SUPPORTING STATEMENT PART A, inst. 12 ("OMB PRA GUIDE") (agency must "[p]rovide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories"), *available at* https://pra.digital.gov/uploads/supporting-statement-a-instructions.pdf.

[2] This memorandum will distinguish between occupational hourly *rates*, which Commission staff may use to monetize costs or burdens, and occupational hourly *wages*, which Commission staff obtain from the Bureau of Labor Statistics and use as input data to calculate occupational hourly rates. Occupational hourly rates incorporate occupational hourly wages and further account for non-wage costs borne by employers, such as bonuses, benefits, and overhead.

[3] In some situations, the Commission staff might conclude that other sources of data or methods—for instance, information from market participants or industry associations, the public notice-and-comment process, or existing economic analyses—are appropriate alternatives. *Cf.* OMB PRA GUIDE, *supra* note 1, inst. 13.

[4] As explained below, occupational hourly rates are calculated using a nonwage cost adjustment factor to account for nonwage costs that are borne by employers, such as bonuses, benefits, and overhead. *See infra* Section 2.3.

1. Data Sources

The data sources used in the methodology for calculating occupational hourly rates include: (1) employee count and wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS); (2) the Employment Cost Index (ECI) for private wages and salaries from BLS; and (3) industry gross output data from the Bureau of Economic Analysis (BEA). BLS and BEA classify their data using the North American Industry Classification System (NAICS),[5] and the occupational hourly rates methodology typically uses BEA and BLS data for NAICS subsector 523 (Securities, Commodity Contracts, and Other Financial Investments and Related Activities).[6]

1.1. BLS Occupational Employment and Wage Statistics (OEWS) data

The OEWS data include estimates of the hourly mean wage, employee count, and annual wage, among other concepts, for over 800 occupations in specific industries within the U.S.[7] The OEWS concept of wages consists of straight-time gross pay and excludes premium pay, such as overtime and bonuses.[8] BLS releases new OEWS data once per year, typically in late March or early April.[9] These annual OEWS data report employment and wage data for the month of May in the prior year.[10] BLS uses the Standard Occupational Classification (SOC) system to classify

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[5] NAICS, introduced in 1997 and periodically revised to reflect changes in the industrial structure of the U.S. and North American economy, classifies all economic activity into various industry sectors. *See Industries at a Glance*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/iag/home.htm (last visited Dec. 19, 2025); *North American Industry Classification System (NAICS) at BLS*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/bls/naics.htm (last updated July 25, 2023); *Industries*, BUREAU OF ECONOMIC ANALYSIS, https://bea.gov/resources/learning-center/what-to-know-industries (last updated Feb. 24, 2021).

[6] *See infra* Section 1.4.

[7] *See Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/ (last visited Dec. 19, 2025). In addition to estimates of the mean hourly and annual wages, the OEWS data include estimates of median hourly wage and certain other hourly wage percentiles for those occupations for which the median or percentile estimate is lower than a $115.00 hourly wage threshold. If the percentile estimate is higher than $115.00 (or $239,200 per year), the OEWS data do not include such estimates. *See, e.g.*, *Industry: Securities, Commodity Contracts, and Other Financial Investments and Related Activities, Period: May 2024*, U.S. BUREAU OF LABOR STATISTICS (omitting median hourly wages when the estimate "is equal to or greater than $115.00 per hour or $239,200 per year"), https://data.bls.gov/oes/#/industry/523000 (last visited Dec. 19, 2025).

[8] *See Technical Notes for May 2024 OEWS Estimates*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/current/oes_tec.htm (last updated Apr. 2, 2025).

[9] *See Frequently Asked Questions,* U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/oes_ques.htm (last updated May 13, 2025).

[10] For example, in April 2025, BLS released OEWS data for the month of May 2024.

workers into occupational categories.[11] The OEWS data do not distinguish between whether employees are performing their occupations for their employers directly or whether their employer sells their services to others.[12] Technical notes on the construction of OEWS estimates are provided with each annual data release.[13]

The OEWS program is the only publicly available comprehensive source of regularly produced occupational employment and wage rate information for the U.S. economy.[14] The OEWS data are widely used by the public and other state and federal agencies, including other financial regulators.[15]

1.2. BLS Employment Cost Index (ECI) data

The ECI measures the change in the hourly labor cost to employers over time.[16] BLS calculates several types of employment cost indexes of total compensation. These indexes include wages and salaries and benefits separately for several types of workers: all "civilian workers" in the United States (as defined by the National Compensation Survey), private industry workers, and workers in state and local government.[17] The methodology in this memorandum uses the seasonally adjusted ECI for private wages and salaries, which means that BLS estimated seasonal effects (e.g., expansions and contractions of economic activity that occur in specific periods of the year, such as periods of warm weather) and removed those effects.[18] The methodology uses a seasonally adjusted ECI because, when evaluating underlying compensation trends, BLS recommends using seasonally adjusted data,

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[11] *See Standard Occupational Classification*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/soc/ (last visited Dec. 19, 2025). Under the current 2018 SOC, occupations are combined to form 459 broad occupations, 98 minor groups, and 23 major groups. *See id.* There are certain occupations for which OEWS may not release mean hourly wage estimates or other data. *See, e.g.*, *Industry: Securities, Commodity Contracts, and Other Financial Investments and Related Activities, Period: May 2024, supra* note 7 (stating in note (8) that estimates are not published). However, only a limited selection of occupational categories is typically relevant to the Commission's considerations of costs or burdens, and those occupational categories do not currently have missing data. *See* Appendix I, *infra*. Should any of these have missing data in the future, alternative sources of appropriate and reliable data may be used by Commission staff to estimate costs or burdens.

[12] *See Technical Notes for May 2024 OEWS Estimates*, *supra* note 8.

[13] *See, e.g.*, *id*.

[14] *See Frequently Asked Questions, supra* note 9.

[15] *See id.*; *What is the Occupational Employment and Wage Statistics (OEWS) Program*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/handout.htm (last updated May 13, 2025). Agencies, such as the Commodity Futures Trading Commission, use BLS wage data to estimate costs and burdens in their rule releases.

[16] *See Employment Cost Index*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/eci/ (last visited Dec. 19, 2025).

[17] *See Handbook of Methods, National Compensation Measures: Calculation*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/opub/hom/ncs/calculation.htm (last updated Dec. 15, 2017).

[18] *See id.*

as it removes irregular and seasonal components allowing for better evaluation of the trend components.[19] BLS releases its ECI data about a month after the end of each quarter of the calendar year.[20] BLS provides technical notes on the construction of the ECI, including measures of its reliability.[21]

BLS states that "the ECI should be used for examining changes in compensation over time,"[22] and "the ECI is often considered a true measure of wage inflation."[23] The ECI is one of the U.S. Principal Federal Economic Indicators, which are statistical series that are widely watched and heavily relied upon by government and the private sector.[24]

1.3. BEA gross output data

The BEA's Industry Economic Accounts provide a framework to measure and analyze the production of goods and services by industry. They show the flows of goods and services purchased by each industry, the incomes earned in each industry, and the distribution of sales for each commodity to industries and final users. These BEA data cover 65 different industries.[25] The methodology in this memorandum uses gross output data from the Industry Economic Accounts; gross

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[19] *See Employment Cost Index: Questions and Answers,* U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/eci/questions-and-answers.htm (last updated October 17, 2023).

[20] For example, data on the ECI for the fourth quarter of 2024 were released on January 31, 2025. *See* EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, SCHEDULE OF THE RELEASE DATES FOR PRINCIPAL FEDERAL ECONOMIC INDICATORS FOR 2025, *available at* https://www.census.gov/economic-indicators/econcards/assets/pdf/censusreleaseglance_2025.pdf; *How to Use the Employment Cost Index for Escalation,* U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/eci/factsheets/how-to-use-eci-for-escalation.htm (last updated May 18, 2016).

[21] *See Employment Cost Index Technical Note*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/eci/technical-notes.htm (last visited Dec. 19, 2025).

[22] *See Employment Cost Index: Questions and Answers*, *supra* note 19.

[23] *See Commissioner's Corner: More Ways to Look at Wages and Inflation*, U.S. BUREAU OF LABOR STATISTICS (Feb. 15, 2023), https://www.bls.gov/blog/2023/more-ways-to-look-at-wages-and-inflation.htm.

[24] *See* Update of Statistical Policy Directive No. 3: Compilation, Release, and Evaluation of Principal Federal Economic Indicators—Changing Timing of Public Comments by Employees of the Executive Branch, 89 Fed. Reg. 11873, 11877-78 (Feb. 15, 2024). For example, since enactment of the Federal Employees Pay Comparability Act of 1990, Pub. L. No. 101-509, § 529, 104 Stat. 1389, 1427 (1990), the default annual pay raise for statutory federal civilian pay systems has been the rate of increase in the ECI for private wages and salaries minus 0.5 percentage points. *See* 5 U.S.C. § 5303(a). The ECI has been called "indispensable to understanding America's economy" by senior policymakers. *National Compensation Survey (NCS) Respondents*, U.S. BUREAU OF LABOR STATISTICS (quoting former Federal Reserve Board Chairman Ben Bernanke), https://www.bls.gov/respondents/ncs/data_uses.htm (last updated Oct. 22, 2024).

[25] *See* U.S. BUREAU OF ECON. ANALYSIS, MEASURING THE NATION'S ECONOMY: AN INDUSTRY PERSPECTIVE: A PRIMER ON BEA'S INDUSTRY ACCOUNTS 2 (2011), *available at* https://www.bea.gov/resources/methodologies/industry-primer (last updated July 21, 2021).

output data measures an industry's sales or receipts, which includes sales to final users in the economy gross domestic product (GDP)[26] and sales to other industries (intermediate inputs).[27] BEA updates its industry gross output data on a quarterly and annual basis, with a lag of about 3 months.[28]

BEA's Industry Economic Accounts data, including gross output by industry, are widely used by public and other federal agencies for a variety of purposes, such as estimating the effects of various policies, regulations, and tax proposals.[29]

1.4. NAICS 523 subsector classification

NAICS is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. economy,[30] including the BLS OEWS data and BEA Industry Economic Accounts data. NAICS is a 2- through 6-digit hierarchical classification system, in which each digit in the code is part of a series of progressively narrower categories, and a greater number of digits in the code signifies greater classification detail.[31] The first two digits designate the economic sector, the third digit designates the subsector.[32]

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[26] BEA states that GDP for the economy is equal to the sum of value added across all industries, where value added is the difference between gross output and intermediate inputs and represents the value of labor and capital used in producing gross output. *See What is Gross Output by Industry and How Does it Differ from Gross Domestic Product (or Value Added) by Industry?*, U.S. BUREAU OF ECONOMIC ANALYSIS (Feb. 12, 2018), https://www.bea.gov/help/faq/1197 (last updated Oct. 21, 2019).

[27] *See Gross Output by Industry*, U.S. BUREAU OF ECONOMIC ANALYSIS, https://www.bea.gov/data/industries/gross-output-by-industry (last updated Dec. 1, 2025).

[28] *See Industries*, U.S. BUREAU OF ECONOMIC ANALYSIS, https://www.bea.gov/resources/learning-center/what-to-know-industries (last updated Feb. 24, 2021); *see also Data Archive: Gross Domestic Product by Industry and Input-Output Statistics*, U.S. BUREAU OF ECONOMIC ANALYSIS (stating that beginning with the release on Apr. 25, 2014, BEA began publishing quarterly), https://apps.bea.gov//histdatacore/histChildLevels.html?HMI=8&oldDiv=Industry%20Accounts (last visited Dec. 19, 2025).

[29] *See* MEASURING THE NATION'S ECONOMY, *supra* note 25, at 1 ("The U.S. International Trade Commission, for example, uses the annual industry accounts to measure the impact of various trade policies, and the U.S. Patent and Trade Office used the benchmark industry accounts to measure the size of the domestic copyright-related industries.").

[30] *See North American Industry Classification System: Introduction to NAICS*, U.S. CENSUS BUREAU, https://www.census.gov/naics/ (last updated Dec. 19, 2025).

[31] *See* EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM 18 (2022) ("NAICS MANUAL"), *available at* https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf.

[32] The fourth through sixth digits further narrow the industry sector. See *Economic Census: NAICS Codes & Understanding Industry Classification Systems*, U.S. CENSUS BUREAU, https://www.census.gov/programs-surveys/economic-census/year/2022/guidance/understanding-naics.html (last updated Nov. 14, 2025), for examples of the application of the NAICS structure.

NAICS 523 is the subsector for "Securities, Commodity Contracts, and Other Financial Investments and Related Activities."[33] Commission staff believe that this subsector best captures the types of securities industry market participants that typically would be affected by the Commission's rules.[34] However, Commission staff may use data for other industry sectors if there is reason to believe that, under the relevant circumstances, the resulting estimates would be more appropriate than those using NAICS 523 data. For example, for those rules affecting operating companies, generally, using data for all private employers in the U.S. may be an appropriate alternative to NAICS 523 data. Or when Commission rules affect a particular industry, the corresponding NAICS industry sector may be appropriate.

[33] NAICS MANUAL, *supra* note 31, at 427-28; *see also Industry: Securities, Commodity Contracts, and Other Financial Investments and Related Activities, Period: May 2024, supra* note 7.

[34] Commission staff considered other subsectors. NAICS 525 is the subsector for "Funds, Trusts, and Vehicles." These entities have few or no employees; the advisory firms that manage them fall under NAICS 523. *See Industry: Funds, Trusts, and Other Financial Vehicles, Period: May 2024*, U.S. BUREAU OF LABOR STATISTICS (providing summary statistics showing that the range of occupations is narrower than NAICS 523 and that total employment is two orders of magnitude less than NAICS 523), https://data.bls.gov/oes/#/industry/525000 (last visited Dec. 19, 2025). NAICS 522 is the subsector for "Credit Intermediation and Related Activities." This code, however, would capture a large number of activities, such as credit card issuing and consumer lending, and enterprises, such as credit unions, certain savings institutions, and real estate brokers, that are typically beyond the scope of Commission regulatory activity. *See* NAICS MANUAL, *supra* note 31, at 422-27 (describing NAICS subsectors that are largely unrelated to the securities industry). Consistent with the inclusion of these other occupations from industries that generally have lower wages, the mean hourly wages for NAICS 522 were roughly 58% of those for NAICS 523 in 2024. *See* Industry: Credit Intermediation and Related Activities, Period: May 2024, U.S. BUREAU OF LABOR STATISTICS, https://data.bls.gov/oes/#/industry/522000 (last visited Dec. 19, 2025). Also, neither BLS OEWS data nor BEA gross output data for this subsector are sufficiently disaggregated to permit the inclusion of activities that could be directly affected by Commission rulemaking, such as NAICS 52232, "Financial Transactions Processing, Reserve, and Clearinghouse Activities." In addition, the Census Bureau states that certain establishments that might otherwise be classified within NAICS 52232 are in fact classified as part of NAICS 523. Specifically, NAICS 523210 for establishments primarily engaged in furnishing physical or electronic marketplaces for the purpose of facilitating the buying and selling of securities and commodities and NAICS 523999 for establishments primarily engaged in operating commodity or exchange clearinghouses. *See NAICS*, U.S. CENSUS BUREAU (2022 NAICS search results for 522320), https://www.census.gov/naics/?input=522&year=2022&details=522320 (last updated Dec. 19, 2025).

2. Methodology

Under the updated methodology, *occupational hourly rates* for common securities industry occupations[35] are calculated by Commission staff using the following conceptual formula:

$$\begin{array}{c}\textit{occupational}\\ \textit{hourly rate}\end{array} = \begin{array}{c}\textit{mean hourly wage}\\ \textit{by occupation}\end{array} \times \begin{array}{c}\textit{employment cost}\\ \textit{index factor}\end{array} \times \begin{array}{c}\textit{nonwage cost}\\ \textit{adjustment factor}\end{array}$$

The *mean hourly wage by occupation* is extracted from the most recently available annual release of OEWS employment and wage data (generally for NAICS 523).[36] These data are roughly one year old when released.[37] To account for any changes in wages between the data reference period and when the data are released, the *mean hourly wage by occupation* is multiplied by an *employment cost index factor* derived from the ECI data to obtain occupational hourly wages measured in dollars as of the OEWS data release date (current dollars).[38] Then, to obtain the *occupational hourly rate*, the occupational hourly wage in current dollars is multiplied by a *nonwage cost adjustment factor* that accounts for costs, such as bonuses, benefits, and overhead, that are not reflected in the occupational hourly wages. This adjustment factor is generally calculated using BEA's gross output data and the OEWS data on total employee count and average annual wage per employee (also, generally for NAICS 523). These calculations are described further below.

2.1. Mean Hourly Wage by Occupation

The *mean hourly wage by occupation* is extracted from the most recently available annual release of the OEWS data for the appropriate NAICS sector (usually NAICS 523). As described in Section 1.1, in any given year, at the time of their release by BLS, these data apply to the month of May in the prior year for each occupation within the industry sector. The methodology uses estimates of the mean hourly wage by occupation.[39]

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[35] Insofar as *occupational hourly rates* are needed for non-securities industry occupations, those rates would be calculated using the same methodology.

[36] As explained above in Section 1.4, *supra*, there may be times when staff use a different NAICS subsector classification.

[37] *See supra* Section 1.1.

[38] *Occupational hourly rates* are calculated as of the OEWS data release date for use in rulemaking releases until BLS next releases new OEWS data. Under certain circumstances, Commission staff may recalculate the *occupational hourly rates* prior to the next release of OEWS data. For example, significant changes in employment costs, as measured by the ECI, could justify recalculation of the *employment cost index factor* and the *occupational hourly rates*.

[39] *See supra* note 7 explaining that the median and other percentile estimates are not consistently available.

2.2. Employment Cost Index (ECI) Factor

To obtain occupational hourly wages in current dollars (accounting for the time between the reference period of the OEWS data and, normally, when the data are released), the occupational hourly wages data are multiplied by an *employment cost index factor* derived from the ECI data. The methodology uses the seasonally-adjusted ECI for private wages and salaries.[40]

The *employment cost index factor* is determined by calculating the percentage change in the seasonally-adjusted ECI for private wages and salaries from the second quarter of year T′ (i.e., $\mathrm{ECI}_{T',2}$), which is the quarter of the reference period for the *mean hourly wage by occupation*, through quarter q of year T (i.e., $\mathrm{ECI}_{T,\mathrm{q}}$), which is the most recent quarter of data available at the annual release of OEWS data (or, when appropriate, an interim calculation date[41]):

$$Employment\ Cost\ Index\ Factor = 1 + \left(\frac{\mathrm{ECI}_{T,\mathrm{q}} - \mathrm{ECI}_{T',2}}{\mathrm{ECI}_{T',2}}\right)$$

Quarter q of year T is normally the most recently completed quarter of the current year but can be from the end of the prior year.[42] Year T′ is generally either one or two years before year T, depending on when the calculation is done.[43]

2.3. Nonwage Cost Adjustment Factor

When monetizing labor costs, the Commission and other federal agencies have generally adjusted wages to account for nonwage costs borne by employers,

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[40] Because the methodology uses the ECI to account for changing economic conditions from one year to the next as opposed to normal seasonal patterns within a single year, it is appropriate to use a seasonally-adjusted index. *See supra* Section 1.2; *see also Employment Cost Index: Questions and Answers*, *supra* note 19 ("How is the ECI used, and who uses the ECI?"; "When should I use seasonally adjusted data?"). In addition, because the OEWS data include only wages and not nonwage benefits, it is appropriate to use an index that accounts for changes in only wages and salaries. *See supra* Section 1.2 (explaining how some ECI indexes include benefits).

[41] *See supra* note 38.

[42] Because the ECI data are released roughly one month after the end of each quarter, *see supra* Section 1.2, if, for example, the calculation is done on February 15, 2025, the most recent data would be for quarter 4 of 2024. Similarly, if the calculation is done on January 1, 2025, the most recent data would likely be for quarter 3 of 2024.

[43] Because the OEWS data for May of the prior year are released in March or April, *see supra* Section 1.1, if, for example, the calculation is done on February 15, 2025, the most recent data would be the May 2023 data released in 2024, while if the calculation is done on June 1, 2025, the most recent data would be the May 2024 data released in 2025.

such as bonuses, benefits, and overhead.[44] To take these nonwage costs into account, the updated methodology multiplies the *occupational hourly wages* (in current dollars) by a *nonwage cost adjustment factor* that approximates, under certain assumptions, the total cost incurred per dollar of wages paid, on average. The resulting *occupational hourly rates* approximate both wage and nonwage costs to employers.

The adjustment factor is calculated as an average over the 10 most recently available years of data of the ratio of BEA's annual gross output data for an industry sector or subsector (usually NAICS 523) to total annual wages across all occupations for that industry sector or subsector in the OEWS data:

$$nonwage\ cost\ adjustment\ factor\ = \left(\sum_{t=T'-9}^{T'} \frac{annual\ gross\ output_t}{total\ annual\ wages_t} \right) \div 10$$

where T′ represents the most recently available year for which both BEA gross output data and BLS wage data are available.

Total annual wages are calculated by multiplying the OEWS data on total employee count by the OEWS data on the annual mean wage.[45] By computing total annual wages using employment and annual wage data that are extracted from the same OEWS data table as the mean hourly wage data, this approach uses consistent BLS data sources.

Conceptually, this adjustment factor is based on the assumption that employers are making *normal profits* over the long run.[46] Under the assumption of

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[44] *See, e.g.*, Office of Information and Regulatory Affairs; Estimating Paperwork Burden, 64 Fed. Reg. 55788, 55790 (Oct. 14, 1999) ("In estimating the appropriate wage rate, it is critical that the wage be properly 'loaded' to include overhead and fringe benefit costs associated with the employee's time. For example, although a technical employee's wage may be $20 per hour, she may also receive benefits from her firm such as health and life insurance, paid vacation, and contributions to a retirement plan. To support her work activities, her employer must also purchase office supplies and services, including office space, furniture, heat and air conditioning, electricity, a telephone and telephone service, a personal computer, printer and photocopier access, and various office supplies. These costs need to be accounted for when assessing the overall impact of the Federal information collection on the resources of the respondent.").

[45] The OEWS data for NAICS 523 include the total number of employees and the annual wage for the entire subsector. *See, e.g.*, *Industry: Securities, Commodity Contracts, and Other Financial Investments and Related Activities, Period: May 2024, supra* note 7. Specifically, for "all occupations" (i.e., "occupation code" = 00-0000), "employment" is multiplied by the "annual mean wage."

[46] In a perfectly competitive market, normal profits are when the total revenue of the company equals the sum of explicit and implicit costs, including opportunity costs—that is, the company is making just enough to justify staying in business but the economic profit is zero. *See Normal Profit*, CORPORATE FINANCE INSTITUTE, https://corporatefinanceinstitute.com/resources/accounting/normal-profit (last visited Dec. 19, 2025).

normal profits, in any given year the ratio represents costs incurred per dollar of wages paid. In principle, multiplying the hourly wage by the total costs incurred per dollar of wages paid may account for nonwage cost factors, in addition to direct wage costs.[47] To smooth cyclical volatility in the annual ratio, the adjustment factor is the average of the annual ratio over the 10 most recent years for which data are available. The data in Appendix II show that the nonwage cost adjustment factor for NAICS 523, as calculated above, is less volatile than the annual ratio of gross output to total wages.

2.4. Use of Occupational Hourly Rates for Monetizing Internal and External Burdens

Commission staff may determine that, in certain circumstances, it is appropriate to apply the same *occupational hourly rate* to monetize burden hours for a given occupation, regardless of whether the individual performing the work is employed by the entity subject to regulation (internal labor) or is hired through an external contract (external labor). This approach is reasonable because, absent material market imperfections, external and internal labor market rates will adjust to largely match.

Specifically, assuming that external labor and internal labor have equivalent knowledge, skills, and abilities for a task, a firm that is considering whether to hire external labor or to use internal labor to perform that task will use internal labor if the cost of external labor exceeds that of internal labor. Anticipating this, external labor will lower their rate to (at least) match that of internal labor, so as to incentivize the firm to hire external labor. If the cost of internal labor exceeds that of external labor, then the firm will use external labor. Anticipating this, external labor may raise their rate (up) to that of internal labor, so as to earn higher rates while still being hired.

In some situations, however, such as in the presence of material market imperfections, or when external labor has knowledge, skills, and abilities that differ from internal labor, the rates for external labor and internal labor could differ. In these cases, Commission staff may determine that it is appropriate to apply different *occupational hourly rate* to monetize burden hours for external labor and internal labor.

[47] *See supra* note 44.

Appendix I. Hourly rates for some common occupations that may be implicated by Commission rules

OEWS Occupation Title[a] (Standard Occupation Classification Code)	Occupational Hourly Rate as of May 2025[b]
Accountants and Auditors (13-2011)	$348
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	$164
Brokerage Clerks (43-4011)	$198
Chief Executives (11-1011)	$999
Computer Network Support Specialists (15-1231)	$278
Computer and Information Systems Managers (11-3021)	$608
Computer Programmers (15-1251)	$416
Computer Systems Analysts (15-1211)	$347
Computer User Support Specialists (15-1232)	$231
Credit Analysts (13-2041)	$409
Database Administrators (15-1242)	$357
Database Architects (15-1243)	$454
Financial Examiners (13-2061)	$365
Financial Managers (11-3031)	$731
Financial Risk Specialists (13-2054)	$402
Financial and Investment Analysts (13-2051)	$405
First-Line Supervisors of Office and Administrative Support Workers (43-1011)	$271
General and Operations Managers (11-1021)	$666
Information Security Analysts (15-1212)	$417
Lawyers (23-1011)	$744
Management Analysts (13-1111)	$378
Office Clerks, General (43-9061)	$144
Operations Research Analysts (15-2031)	$282
Personal Financial Advisors (13-2052)	$492
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive (43-6014)	$155
Securities, Commodities, and Financial Services Sales Agents (41-3031)	$422
Software Developers (15-1252)	$462
Software Quality Assurance Analysts and Testers (15-1253)	$368
Web Developers (15-1254)	$442
Web and Digital Interface Designers (15-1255)	$384

Source: SEC staff calculations based on data from BLS and BEA for NAICS 523.

[a] *See* EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, STANDARD OCCUPATIONAL CLASSIFICATION MANUAL (2018), *available at* https://www.bls.gov/soc/2018/soc_2018_manual.pdf for a description of occupation titles.

[b] For each occupation title, the "hourly mean wage" is extracted from the May 2024 OEWS data at *Industry: Securities, Commodity Contracts, and Other Financial Investments and Related Activities, Period: May 2024*, U.S. BUREAU OF LABOR STATISTICS, https://data.bls.gov/oes/#/industry/523000 (last visited Dec. 19, 2025). These occupational mean hourly wages are multiplied by 1.02506, which equals 1 plus the percent change in the ECI for private wages and salaries from the second quarter of 2024 to the first quarter of 2025, to get the occupational mean hourly wages as of 2025. The occupational mean hourly wages as of 2025 are multiplied by the adjustment factor for 2025, which equals 5.65 (rounded to two decimal places), to get the occupational hourly rates as of 2025.

For example, consider the "Accountants and Auditors (13-2011)" occupation title in NAICS 523; *see* row 1 data in the Table above. The $348 occupational hourly rate as of 2025 is based on the following calculations: $60.05 (OEWS May 2024 mean hourly wage) x 1.02506 (1 plus the percent change in the ECI for private wages and salaries from the second quarter of 2024 to the first quarter of 2025) x 5.65 (adjustment factor for 2025) ≈ $348.

Appendix II. Annual Values for the Nonwage Cost Adjustment Factor for Occupational Hourly Rates for NAICS 523 over the Period 2013-2025.

This Appendix lists the annual values of the nonwage cost adjustment factor and annual ratio of gross output to total wages, as calculated for NAICS 523 with the methodology in Section 2.3, over the period 2013-2025. The data show that while the values of the annual ratio of gross output to total wages can vary non-trivially from year-to-year, the values of the nonwage cost adjustment factor are less volatile than the annual ratio of gross output to total wages.

Year	Nonwage Cost Adjustment Factor[a]	Annual Ratio of Gross Output to Total Wages[b]
2013	6.44	6.09
2014	6.47	6.13
2015	6.46	5.81
2016	6.37	5.42
2017	6.19	5.48
2018	6.00	5.58
2019	5.93	5.77
2020	5.90	5.77
2021	5.83	6.31
2022	5.85	5.34
2023	5.77	5.47
2024	5.71	5.60
2025	5.65	N/A[c]

Source: SEC staff calculations based on data from BLS and BEA. The data are for NAICS 523.

[a] The nonwage cost adjustment factor is calculated as the average of the annual ratio of gross output to total wages in the 10 most recent years for which data are available. Data on the annual ratio are available with lag of about one year. For example, the nonwage cost adjustment factor to calculate occupational hourly rates as of 2024 is calculated as the average of the annual ratio of gross output to total wages over the years 2014-2023. *See* Section 2.3.

[b] The gross output data are from BEA's Industry Economic Accounts. The total wages data are from the OEWS data. *See* Sections 1.1, 1.3, and 2.3.

[c] The OEWS data for 2025 will be available around April 2026. *See* Section 1.1. BEA data for 2025 will be available around March 2026. *See* Section 1.3.