

*“The U.S. is getting new data for a
New Economy—and it’s about time.”*

—BUSINESS WEEK



North American Industry Classification System

calibrating a new economy

Economic Classification Policy Committee



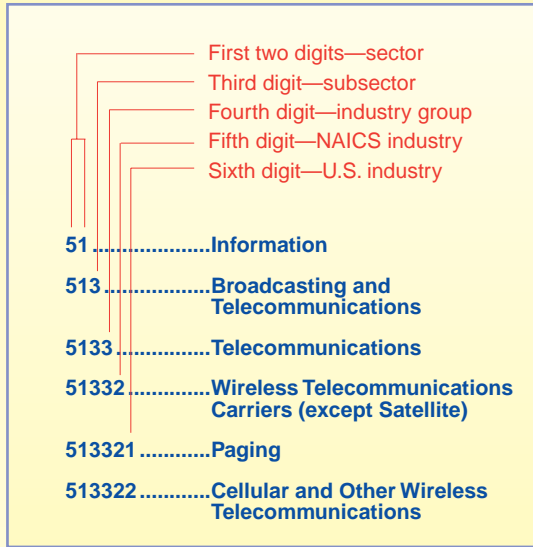
What is NAICS?

NAICS (pronounced "nakes") is the new North American Industry Classification System. It replaces the decades-old Standard Industrial Classification (SIC) system. It provides a better way to classify individual businesses. It will be widely used by government and by business. It will change what information is available. NAICS will reshape the way we view our changing economy.

Why is NAICS better?

- ■ ■ ■ ■ **Relevancy.** NAICS identifies more industries that contribute to today's economy; over 350 new industries and 9 new service industry sectors. The Manufacturing sector is restructured to recognize new high-tech industries.
- ■ ■ ■ ■ **Comparability.** NAICS was developed by the United States, Canada, and Mexico to produce comparable data.
- ■ ■ ■ ■ **Consistency.** NAICS uses a consistent principle: businesses that use similar production processes are grouped together.
- ■ ■ ■ ■ **Adaptability.** NAICS will be reviewed every 5 years, so classifications and information keep up with our changing economy.
- ■ ■ ■ ■ **Quality.** NAICS will improve key measures of U.S. economic activity such as retail sales, manufacturers' shipments, and service industry receipts.

Examples of NAICS Numbering System



When will I have NAICS-based statistics?

The 1997 Economic Census will provide the first official NAICS-based statistics. Advance statistics will appear in early 1999. A report in 2000 will show relationships between NAICS and SIC industries.

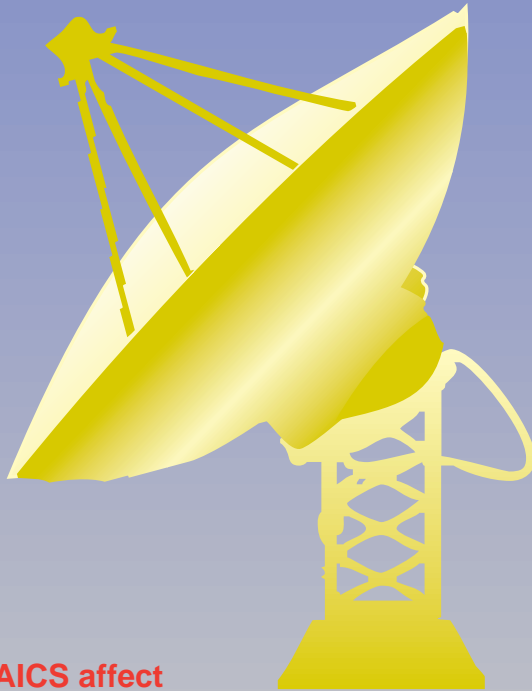
Industry-based surveys like retail sales and manufacturers' shipments, inventories, and orders will be restructured. The first reports on a NAICS basis will be published in 2000 with data for 1998 and 1999.

Implementation by Federal agencies will be in phases. Some agency programs will convert to NAICS as early as 1999, others as late as 2004. Visit the Census Bureau's NAICS Internet site for a detailed schedule (www.census.gov/naics).

Examples of New NAICS Industries:

Casino Hotels
Diet and Weight Reducing Centers
Fiber Optic Cable Manufacturing
Hazardous Waste Collection
HMO Medical Centers
Industrial Design Services
Investment Banking and Securities Dealing
Management Consulting Services
Paging
Satellite Telecommunications
Software Publishers
Telemarketing Bureaus

ation system that accurately reflects the dynam



*J*How will NAICS affect economic data I use?

NAICS provides a new tool that ensures that economic statistics reflect our Nation's changing economy. However, improved statistics will result in time series breaks. Current economic surveys like monthly retail sales and manufacturers' shipments, inventories, and orders will be particularly affected.

Every sector of the economy has been restructured and redefined:

A new *Information* sector combines communications, publishing, motion picture and sound recording, and online services, recognizing our information-based economy.

Manufacturing is restructured to recognize new high-tech industries. A new subsector is devoted to computers and electronics, including reproduction of software.

Retail Trade is redefined. In addition, eating and drinking places are transferred to a new *Accommodation and Food Services* sector.

The difference between *Retail* and *Wholesale* is now based on how each store conducts business. For example, many computer stores are reclassified from wholesale to retail.

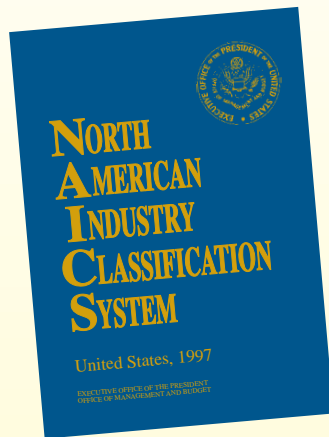
Nine new service sectors and 250 new service industries are recognized.

NAICS is here!

Are you ready to
make the transition?

NAICS Codes and Sectors

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



The NAICS manual “North American Industry Classification System—United States, 1997” includes:

- ◆ Definitions for each industry
- ◆ Tables showing correspondence between NAICS and SIC categories, and vice versa
- ◆ An index that can help you find an industry or classify your own business.

It is available in print (\$32.50 hardcover, \$28.50 softcover) or on CD-ROM (\$45) plus handling, from NTIS (National Technical Information Service) (1-800-553-6847 or 1-703-605-6000; www.ntis.gov/naics)



NAICS

*J***H**ow can I learn more?



Access the Census Bureau's
NAICS Internet site at
www.census.gov/naics



OR contact our resident
expert on industry classi-
fication "**Dr. NAICS**"

by phone **1-888-75NAICS**



OR by E-mail
naics@census.gov