



# The North American Industry Classification System

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prepared for the

**Council of Professional Associations  
on Federal Statistics**

**June 9, 2000**

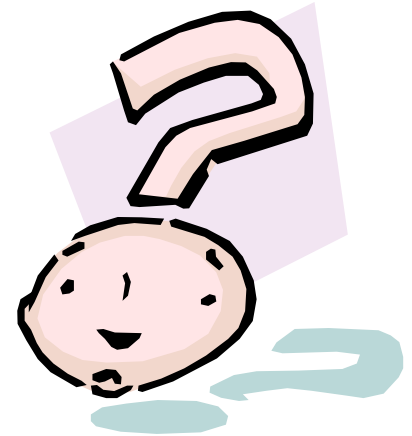
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presented by

**Carole Ambler  
U.S. Census Bureau**



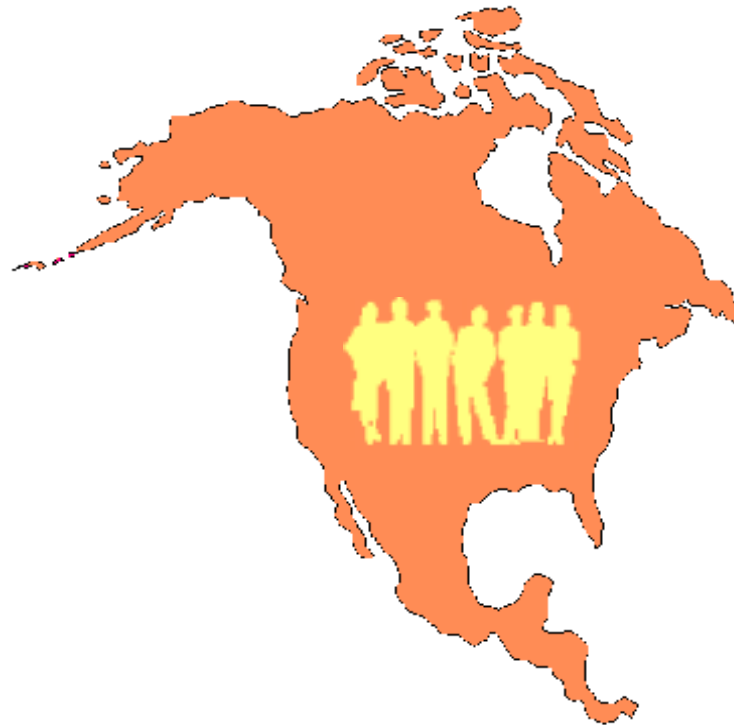
- 
- **What is NAICS?**
  - **Why develop NAICS?**
  - **How does NAICS differ from the SIC?**
  - **What is the structure of NAICS?**
  - **What are some of the important changes in NAICS?**
  - **NAICS 2002/2007**
  - **NAPCS**



# ***What is NAICS?***

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- **New industry classification system**
- **Developed in cooperation with NAFTA partners**

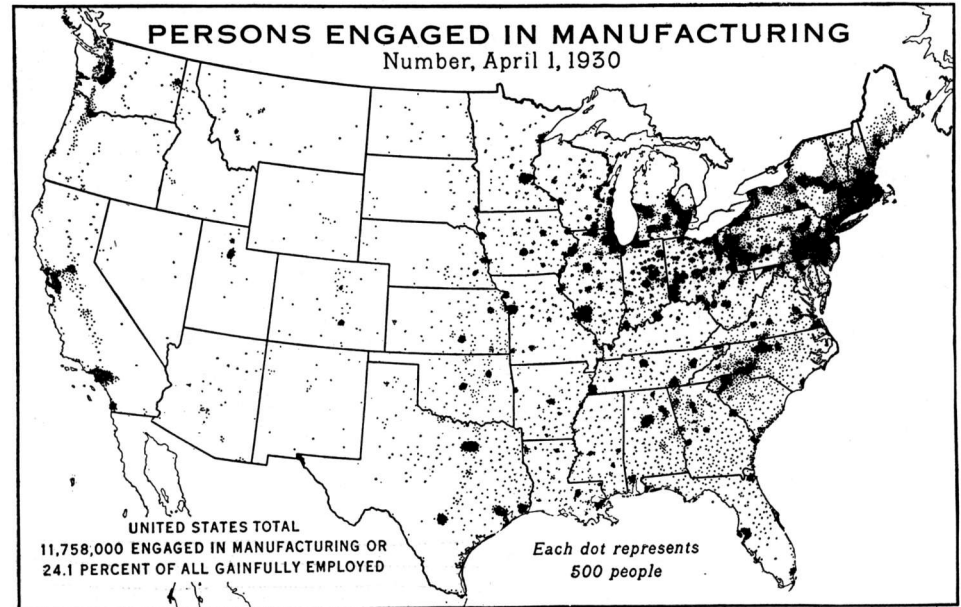


# *Why Develop NAICS?*

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## *The U.S. SIC*

- **Developed in 1930's**
- **Emphasis on manufacturing**
- **Updated every 10-15 years**
- **Little change to the original structure**



# *How Does NAICS Differ from the SIC?*

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- **Based on a concept**
- **Focuses on new and emerging industries, industries using new technologies, and service industries**
- **Provides for comparability with Canada and Mexico**
- **Adds U.S. industries to provide more detail**

# ***What is the Structure of NAICS?***

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- **20 sectors**
- **6 - digit numbering system**
- **1170 industries**



# ***What is the Structure of NAICS?***

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- 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 and Waste Management and Remediation Services**
- 61 Educational Services**
- 62 Health Care and Social Assistance**
- 71 Arts, Entertainment, and Recreation**
- 72 Accommodation and Food Services**
- 81 Other Services (except Public Administration)**
- 92 Public Administration**

# ***SIC Divisions***

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**Transportation, Communications, and Utilities**

**Finance, Insurance and Real Estate**

**Retail Trade**

**Service Industries**





# ***NAICS - New Sectors***

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## ***SIC Division:***

**Transportation, Communications, and Utilities**

## ***NAICS Sectors:***

**Utilities**

**Transportation and Warehousing**

**Information**

# ***NAICS - New Sectors (continued)***

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## ***SIC Division:***

**Finance, Insurance and Real Estate**

## ***NAICS Sectors:***

**Finance and Insurance**

**Real Estate and Rental and Leasing**

# ***NAICS - New Sectors (continued)***

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## ***SIC Division:***

**Retail Trade**

## ***NAICS Sectors:***

**Retail Trade**

**Accommodation and Food services**

# ***NAICS - New Sectors (continued)***

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## **SIC Division:**

**Services**

## **NAICS Sectors:**

**Professional, Scientific, and Technical Services**

**Administrative and Support and Waste**

**Management and Remediation Services**

**Educational Services**

**Health Care and Social Assistance**

**Arts, Entertainment, and Recreation**

**Information**

**Other Services**

# ***NAICS/SIC Structure***

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## **NAICS**

## **SIC**

<b>2-digit</b>	<b>Sector</b>	<b>Division</b>	<b>Letter</b>
<b>3-digit</b>	<b>Subsector</b>	<b>Major Group</b>	<b>2-digit</b>
<b>4-digit</b>	<b>Industry Group</b>	<b>Industry Group</b>	<b>3-digit</b>
<b>5-digit</b>	<b>NAICS Industry</b>	<b>Industry</b>	<b>4-digit</b>
<b>6-digit</b>	<b>U.S. Industry</b>	<b>--</b>	<b>--</b>

# ***NAICS/SIC Structure***

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## ***NAICS***

<b><u>CODE</u></b>	<b><u>TITLE</u></b>
<b>51</b>	<b>Information</b>
<b>513</b>	<b>Broadcasting and Telecommunications</b>
<b>5133</b>	<b>Telecommunications</b>
<b>51332</b>	<b>Wireless Telecommunications Carriers (except Satellite)</b>
<b>513321</b>	<b>Paging</b>

## ***SIC***

<b><u>CODE</u></b>	<b><u>TITLE</u></b>
<b>Div. E</b>	<b>Transportation, Communications, Electric, Gas, and Sanitary Services</b>
<b>48</b>	<b>Communications</b>
<b>481</b>	<b>Telephone Communications</b>
<b>4812</b>	<b>Radiotelephone Communications</b>

# ***What are some of the Important changes in NAICS?***

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- **Reorganization of Manufacturing Sector**
- **Creation of Information Sector**
- **Combination of restaurants and accommodations to form new sector**
- **Redefinition of wholesale/retail**
- **Reorganization of old “services” division**
- **Classifying auxiliaries by activity**

# ***Manufacturing***

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- **Transferring out**

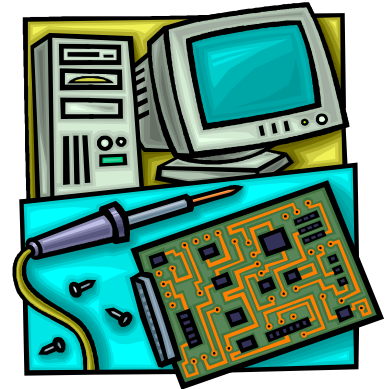
**Publishing - Logging - Auxiliaries**

- **Transferring in**

**Retail Bakeries - Dental labs - Tire retreading**

- **Brings together**

**Computers, Electronic equipment, Components**

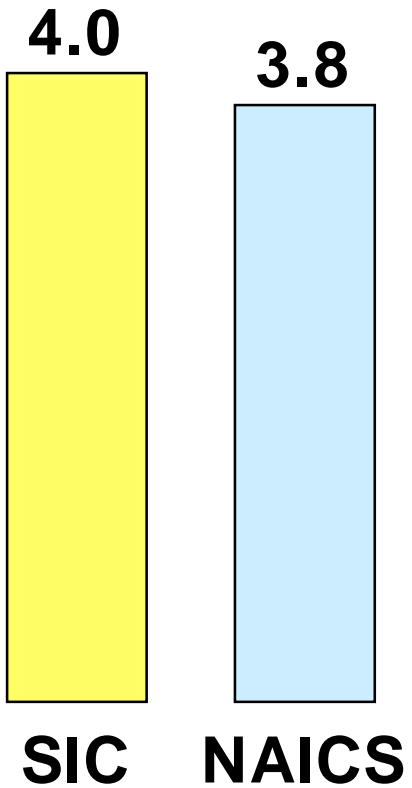




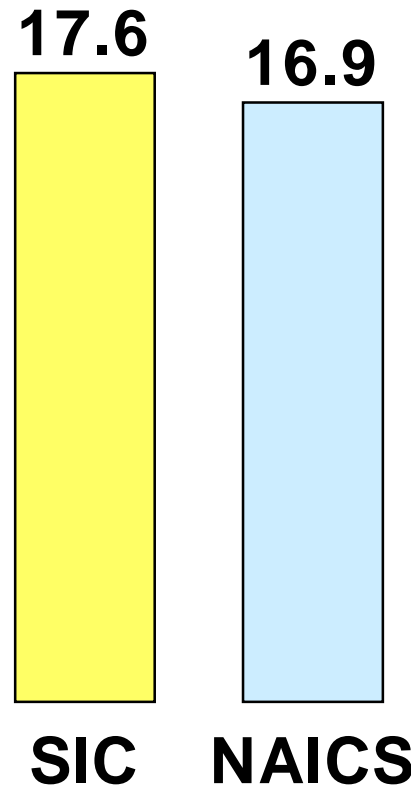
# *Two Views of Manufacturing*

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**Shipments  
(\$ trillion)**



**Employment  
(\$ millions)**



# ***Information Sector***

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**Created from**

**Manufacturing  
Publishing**

**Transportation, Communication, and Utilities  
Broadcasting and Telecommunications**

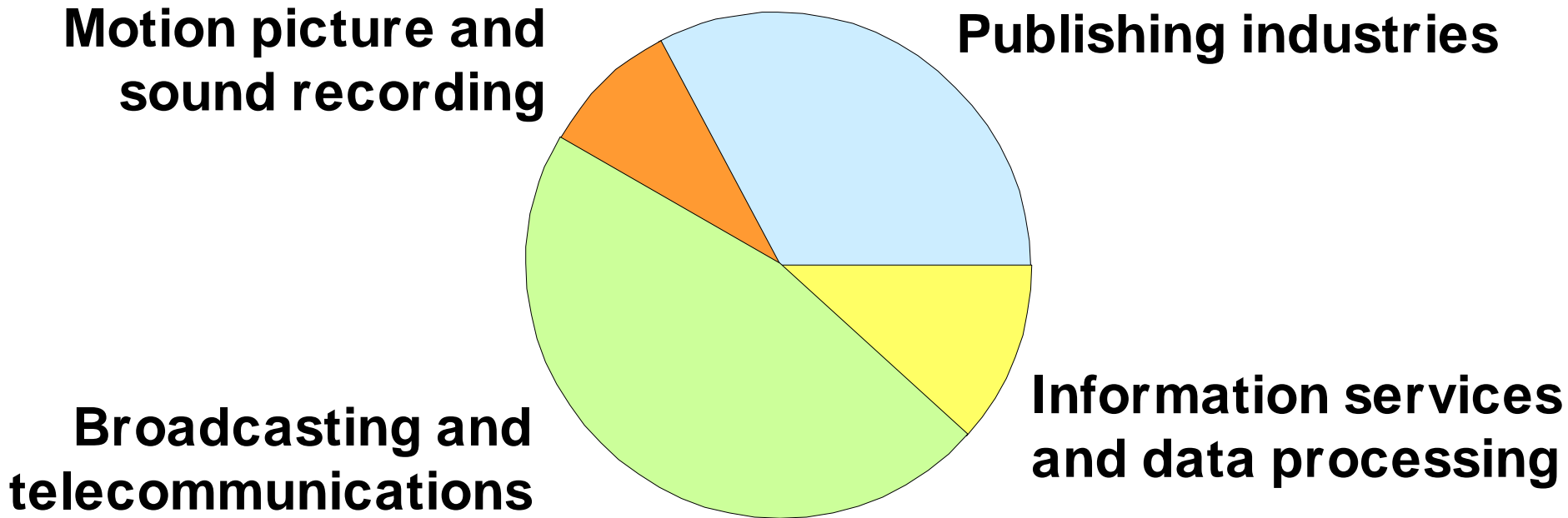
**Service Industries**

**Motion Picture and Sound Recording  
Information Services and Data Processing  
Libraries**

# ***Information Subsectors***

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## ***Employment, 1997***



# ***Accommodation and Food Services***

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**Created from**

**Service Industries**

**Hotels and other lodging**

**Retail Trade**

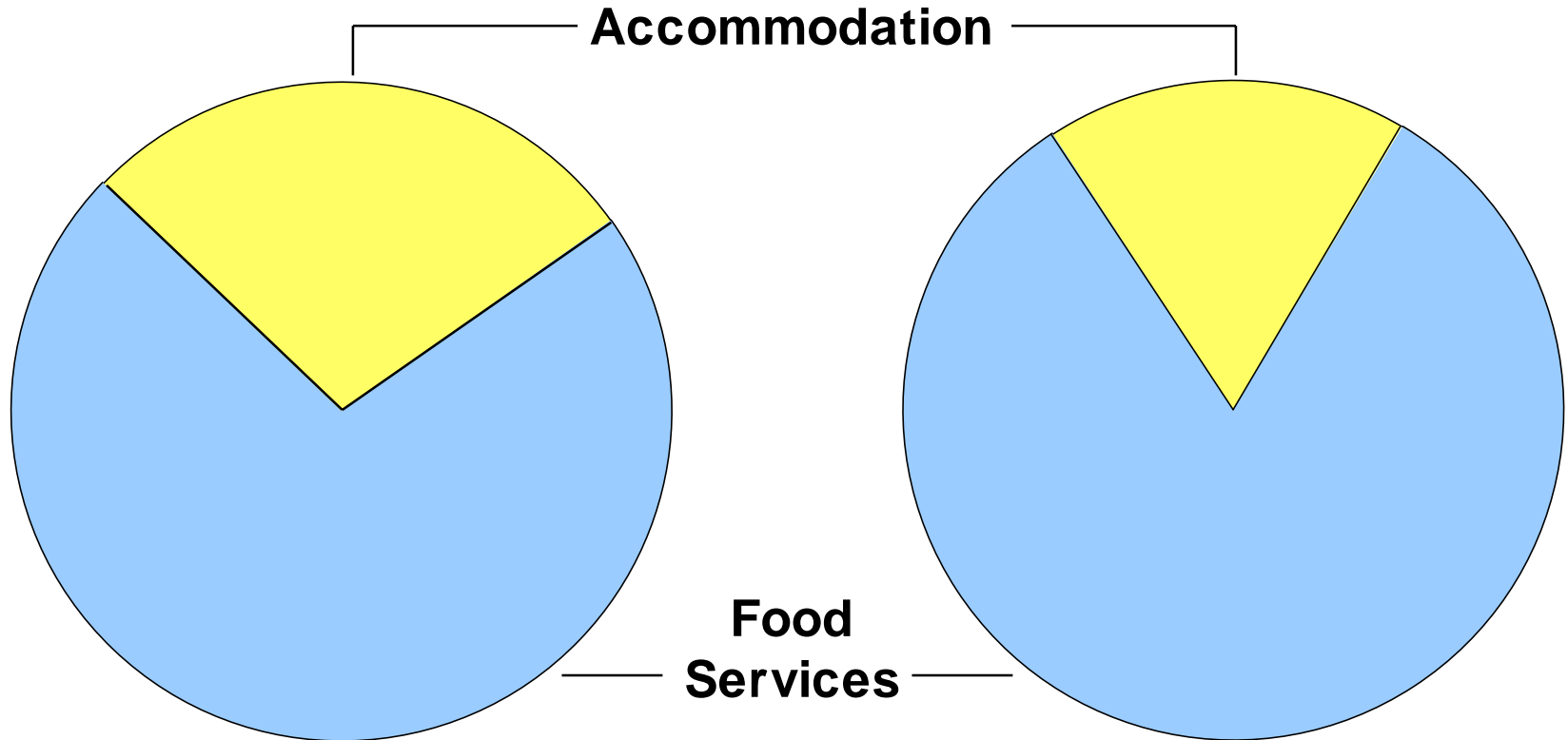
**Eating and drinking places**

# *Two Views of Accommodation and Food Services*

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**Sales**  
**(\$350 billion)**

**Employment**  
**(9.5 million)**



# ***Retail vs. Wholesale***

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## **Retail Trade**

### **In SIC**

**Sells to consumers**

### **In NAICS**

**Location attracts public**

**Advertise to public**

**Display merchandise**

## **Wholesale Trade**

**Sells to business**

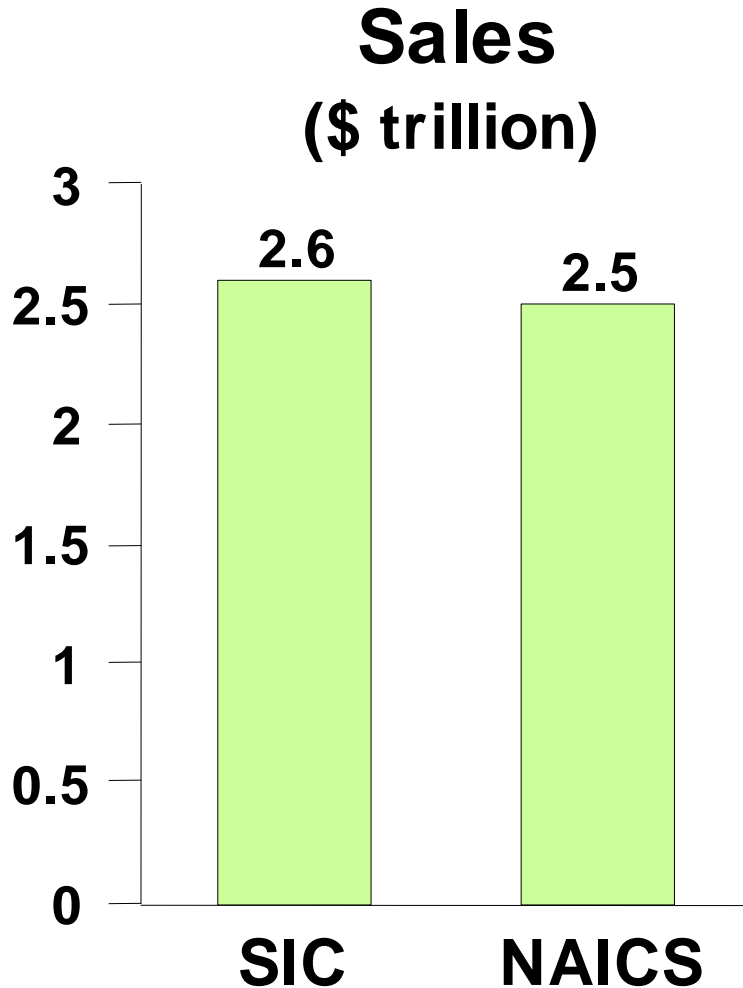
**Office or warehouse**

**Advertise to trade**

**Display little or no  
merchandise**

# *Two Views of 1997 Retail Trade*

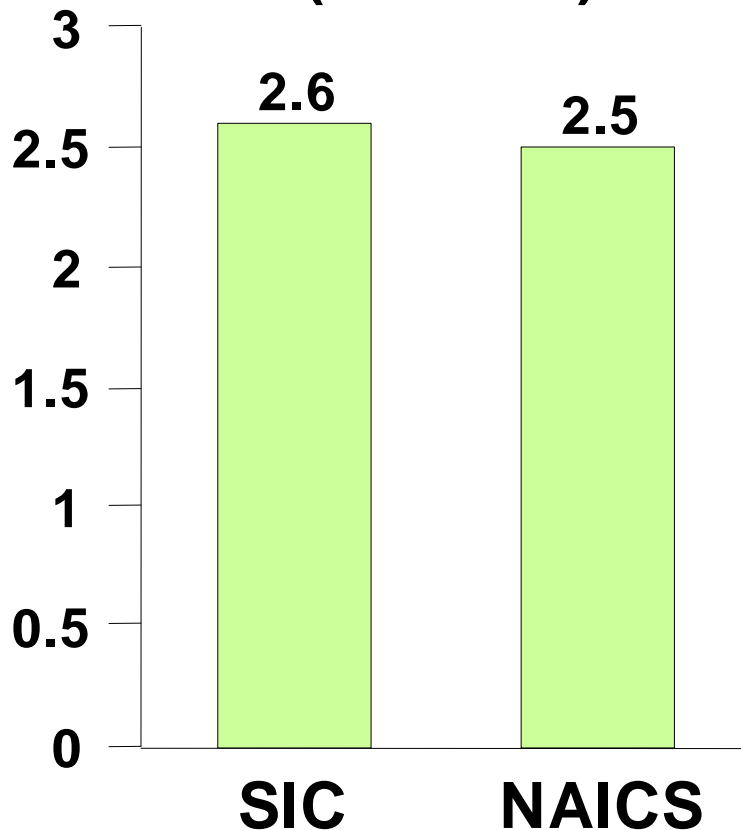
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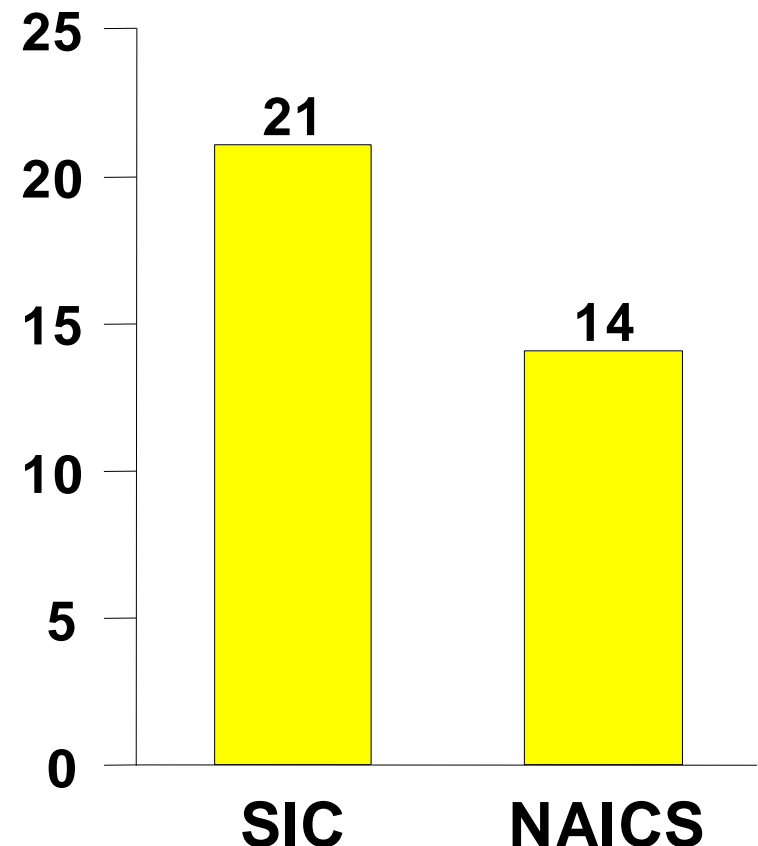
# *Two Views of 1997 Retail Trade*

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## Sales (\$ trillion)



## Employment (millions)





# ***Reorganization of Old “Services” Division***

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## **1987 SIC**

## **NAICS**

- Services**
- \* Real Estate and Rental and Leasing (pt)
  - \* Professional, Scientific, and Technical Services
  - \* Administrative and Support and Waste Management and Remediation Services (pt)
  - \* Educational Services
  - \* Health Care and Social Assistance
  - \* Arts, Entertainment, and Recreation
  - \* Other Services (except Public Administration)

# ***SIC*** ***(billion dollars)***

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**Goods Producing**

**\$4956**

**Non Goods Producing**

**\*\$12,787**



**\* excludes holding companies**

# ***Non Goods Producing - SIC*** ***(\$12,787)*** ***- billion dollars -***

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<b>Transportation, Communication, and Utilities</b>	<b>Wholesale Trade</b>	<b>Retail Trade</b>	<b>FIRE</b>	<b>Service Industries</b>
<b>\$1,146</b>	<b>4212</b>	<b>2562</b>	<b>*2414</b>	<b>2453</b>

**\* excludes holding companies**

# ***NAICS*** ***(billion dollars)***

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**Goods Producing**

**5283**

**Non Goods Producing**

**12,518**



# ***Non Goods Producing*** ***(\$12,520 billion)***

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<b>Wholesale Trade</b>	<b>Retail Trade</b>	<b>Transportation and Warehousing</b>	<b>Information</b>	<b>Finance and Insurance</b>	<b>Real Estate and Rental and Leasing</b>
<b>\$4,060</b>	<b>\$2,461</b>	<b>\$318</b>	<b>\$623</b>	<b>\$2,198</b>	<b>\$241</b>
<b>Management of Companies and Enterprises</b>		<b>Professional, Scientific, and Technical</b>		<b>Administrative and Support and Waste Management and Remediation</b>	<b>Education</b>
<b>\$92</b>		<b>\$595</b>		<b>\$295</b>	<b>\$20</b>
<b>Health</b>	<b>Arts, Entertainment and Recreation</b>	<b>Accommodations and Food Services</b>		<b>Other Services</b>	<b>Auxiliaries</b>
<b>\$885</b>	<b>\$105</b>	<b>\$350</b>		<b>\$264</b>	<b>\$11</b>

# ***Classifying Auxiliaries by Activity***

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- **Auxiliaries:** establishments of multi-establishment firms that provide services to other owned establishments
- **In SIC -- Classified by industry**
- **In NAICS -- Classified by activity**
- **New sector:**
  - **Management of Companies and Enterprises**

# ***NAICS Manual***

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**In Print**

**On CD**

**At [www/census.gov/naics](http://www/census.gov/naics)**

- **Definitions for each industry**
- **Alphabetic index**
- **Correspondence tables**
  - **NAICS to SIC**
  - **SIC to NAICS**

# *Assembling Time Series*

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## **Across Economic Censuses**

**SIC            1987    1992    (1997)**

**NAICS                            1997    2002    2007**



# ***Table 1. Industry Statistics on NAICS Basis With Distribution Among 1987 SIC-Based Industries: 1997***

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NAICS or SIC code	Description	Establishments (number)	Sales/receipts/ revenue/shipments (\$1,000)	Annual payroll (\$1,000)	Paid employees (number)
<b>443120</b>	<b>Computer &amp; software stores</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>xxxxxx</b>
504518	Computer and peripheral equipment merchants (retail)	xxxxxx	xxxxxx	xxxxxx	xxxxxx
504528	Computer software merchants (retail)	xxxxxx	xxxxxx	xxxxxx	xxxxxx
573411	Computer stores	xxxxxx	xxxxxx	xxxxxx	xxxxxx
573412	Computer stores (custom assembly)	xxxxxx	xxxxxx	xxxxxx	xxxxxx
573420	Computer software stores	xxxxxx	xxxxxx	xxxxxx	xxxxxx

## ***Table 2. Industry Statistics on SIC Basis With Distribution Among 1987 NAICS-Based Industries: 1997***

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NAICS or SIC code	Description	Establishments (number)	Sales/receipts/ revenue/shipments (\$1,000)	Annual payroll (\$1,000)	Paid employees (number)
<b>7389</b>	<b><i>Business services, n.e.c.</i></b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>xxxxxx</b>
51224000	Sound recording studios	xxxxxx	xxxxxx	xxxxxx	xxxxxx
51229090	Audio taping services	xxxxxx	xxxxxx	xxxxxx	xxxxxx
52232090	Credit card processing	xxxxxx	xxxxxx	xxxxxx	xxxxxx
54119900	All other legal services	xxxxxx	xxxxxx	xxxxxx	xxxxxx
54134000	Drafting services	xxxxxx	xxxxxx	xxxxxx	xxxxxx
54135000	Building inspection services	xxxxxx	xxxxxx	xxxxxx	xxxxxx

# *Implementing NAICS*

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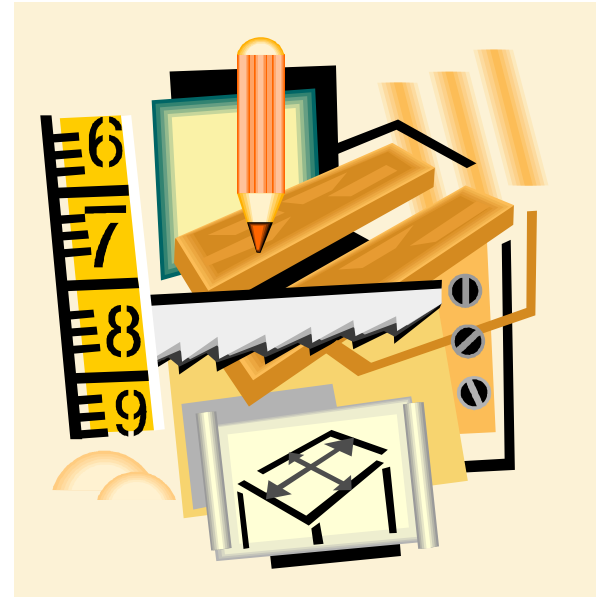
## **Census Bureau**

- **NAICS replaces SIC in**
  - **1999-2001 1997 Economic Census**
  - **2000 1998 County Business Patterns**
  - **2000 1998 Annual Survey of Mfrs**
  - **2001 1998-9 Annual Retail Trade**
  - **2001 2001 Monthly Retail Trade**
  - **2002 2000 Annual Capital Expenditures**

# *Changes for NAICS 2002*

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- **Construction**
- **Wholesale Trade**
- **Retail Trade: E-tailing**
- **Information**



# ***Changes for 2002***

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- **Wholesale Trade: 3 Subsectors**
  - **Merchant wholesalers, Durable Goods**
  - **Merchant wholesalers, Nondurable Goods**
  - **Wholesale Electronic Markets & Agents & Brokers**

# ***Changes for 2002***

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- **Information:**
  - **Recognize difference in infrastructure and content industries**
  - **New subsector for Internet Publishing and Broadcasting**
  - **New subsector for Internet Service Providers, Web Search Portals, and Data Processing Services**

# ***Changes for 2002***

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- **Retail Trade**
  - **New industries for**
    - **Department stores (except discount department stores)**
    - **Discount department sotres**
    - **Electronic shopping**
    - **Electronic auctions**
    - **Mail-order houses**

# ***NAICS 2007***

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- **Review distribution networks**
- **Update Information**
- **Review other sectors changed by technology**



# ***North American Product Classification System (NAPCS)***

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- **Product system to complement NAICS**
- **Phase I includes products for**
  - **Information**
  - **Finance**
  - **Professional, Technical, and Scientific Services**
  - **Administrative and Support and Waste Management Remediation**
- **All service products for 2007**

# www.census.gov/naics

U.S. Census Bureau

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[SIC to NAICS](#)

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How NAICS will affect data users

[New industries](#)  
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## North American Industry Classification System (NAICS)

The North American Industry Classification System (NAICS) is replacing the U.S. Standard Industrial Classification (SIC) system. NAICS will reshape the way we view our changing economy.

NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America.



**NAICS on the move.** A *Federal Register* notice [here](#) documents industry revisions being proposed for [NAICS 2002](#). Construction and wholesale trade are substantially affected, but the proposal also modifies a number of retail classifications and the organization of the information sector.

A new [North American Product Classification System](#) (NAPCS) is also being proposed for 2002, starting in [four services sectors](#). (No major changes are planned for [manufacturing products](#).)

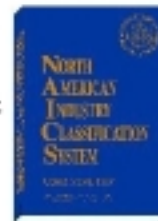
[Measuring electronic business](#) is a major challenge for future statistical programs. Review Census Bureau plans and make your own [comments](#).



The **first-ever NAICS-based statistics** are included in the [1997 Economic Census Advance Report](#). Preliminary national totals are shown for sectors and subsectors. More [details](#) will be published through 1999.



The **official 1997 US NAICS Manual** *North American Industry Classification System--United States, 1997* includes definitions for each industry, tables showing correspondence between 1997 NAICS and 1987 SICs, and a comprehensive index. To order the 1250-page *Manual*--in print (\$28.50 softcover; \$32.50 hardcover) or on CD-ROM (\$45)--call NTIS at (800) 553-6847 or (703) 605-6000, or visit the [NTIS web site](#).



The list of [1997 NAICS codes](#), tables showing [correspondence between NAICS and SIC](#), and other files for [downloading](#) are all new as of July 1998. The ASCII and dBase files supersede counterparts on the NAICS CD-ROM.



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