

NAICS: It's Not a Disease, But It Will Be Contagious

NAICS, the North American Industry Classification System, is a new method of categorizing industries, devised by the U.S., Mexican and Canadian governments. It replaces the SIC (Standard Industrial Classifications) codes. Such classifications are important to businesses seeking competitive intelligence or business leads; to government and academics tracking trends in jobs and wages for policy and research purposes; and to economic developers in understanding the structure of their economies and their regional, state and national context.

NAICS (pronounced 'nakes') identifies hundreds of new, emerging and advanced technology industries through 20 broad divisions (compared to nine divisions under SIC). It also provides direct comparison between our NAFTA trading partners, Mexico and Canada.

The new code scheme has, for the most part, affected only the 1997 Economic Censuses and County Business Patterns so far. But soon, we will begin to see a new set of industries with the monthly, quarterly and annual data released by the Bureau of Labor Statistics (BLS) and Economic Analysis (BEA).

There is a downside to the release of data using the new classification system—lack of comparable trends data. There were significant changes in all of the industry divisions, meaning that manufacturing under NAICS is different, as are the other nine divisions that became 20. Many agencies don't plan to publish dual sets of data, for the obvious reason

Table 1: The 20 Sectors of NAICS

Note Important Additions Such as Information and Warehousing

Code	NAICS Sectors
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	Education 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

Note: Detailed information about the changes between old (SIC) and new (NAICS) is maintained on the Census Bureau's web site at: www.census.gov/epcd/www/naics.html.

of expense as well as the need to move forward with this more refined view of our economy (see Table 1).

Table 2 is a schedule of data series and the dates of their release under the

new code scheme. For those of our readers who are frequent users of data online (via STATS Indiana, for example), we recommend that you keep this calendar handy.

Table 2: Major Income and Employment Series Soon to be Published by NAICS

Income and Employment Data Series	Agency	Publication Year
2001 State Personal Income	BEA	2002
2001 County Personal Income	BEA	2003
2002 Gross State Product	BEA	2004
May 2003 Current Employment Statistics	BLS	June 2003
2001 Covered Employment and Wages	BLS	Fall 2002
2002—4th Quarter—Occupational Employment Statistics	BLS	January 2004

Source: www.census.gov/epcd/www/naicsb1s.htm and www.census.gov/epcd/www/naicsbea.htm