

***The
North American Industry
Classification System
(NAICS)***

***The North American Industry
Classification System (NAICS) has
replaced the U.S. Standard Industrial
Classification (SIC) system***

<http://www.census.gov/epcd/www/naics.html>

What is Classification?

- the systematic grouping of things into categories based on shared characteristics.



What is the North American Industry Classification System (NAICS)?

- a numerical, hierarchical classification system that groups all business establishments into industries based on production process.
- the foundation on which economic census data is collected, tabulated, analyzed, and disseminated.
- a common language used among all U.S. federal statistical agencies.

Why was NAICS Developed?

- to recognize fundamental shifts in the U.S. economy (new, advancing technologies and service industries).
- to achieve comparability among the economies of U.S., Mexico, and Canada.
- to ensure industry sector (2-digit) compatibility with the International Standard Industrial Classification System (ISIC).
- to preserve time-series continuity.

What is the Structure of NAICS?

- numerical
- hierarchical
- detail level from a 2-digit **sector** to a 6-digit ***national industry***

The Structure of NAICS

SECTOR	2-digit	xx
SUBSECTOR	3-digit	xxx
INDUSTRY GROUP	4-digit	xxxx
NAICS INDUSTRY	5-digit	xxxxx
U.S. INDUSTRY	6-digit	xxxxxx

NAICS is standardized among the three North American countries to the 5-digit level.

An example of NAICS Structure

SECTOR	72	Accommodation and Food Services
SUBSECTOR	721	Accommodation
INDUSTRY GROUP	7211	Traveler Accommodation
NAICS INDUSTRY	72111	Hotels (except casino hotels) and Motels
U.S. INDUSTRY	721110	Hotels (except casino hotels) and Motels

An example of NAICS Structure

SECTOR	31-33	Manufacturing
SUBSECTOR	334	Computer and Electronic Product Mfg.
INDUSTRY GROUP	3341	Computer and Peripheral Equipment Mfg.
NAICS INDUSTRY	33411	Computer and Peripheral Equipment Mfg.
U.S. INDUSTRY	334111	Electronic Computer Mfg.
	334112	Computer Storage Device Mfg.
	334113	Computer Terminal Mfg.
	334119	Other Computer Peripheral Equipment Mfg.

What are the NAICS Sectors?

There are 20 NAICS sectors. The economic census covers 18 of those.

- 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

What is the Future of NAICS?

- NAICS is a living system, undergoing revision and updates in 5-year cycles to reflect the changing economy.
 - add industries
 - clarify definitions
 - potential restructure of rapidly changing industries
-

NAICS to SIC
SIC to NAICS

Enter keyword

NAICS Search

How NAICS affects data users

[New industries](#)

[New sectors](#)

[New code system](#)

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[Breaks in time series](#)

Implementation

[Census Bureau](#)

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Product

Classification

[Service Sector](#)

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Questions?

[Ask Dr. NAICS](#)

International

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Development of NAICS

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[Concordances](#) **NEW!!**

U.S. Census Bureau



NAICS 2002 includes substantial revisions within the Construction and Wholesale Trade sectors, and a number of revisions for the Retail and Information sectors. NAICS 2002 will be implemented in the [2002 Economic Census](#).

A new [North American Product Classification System \(NAPCS\)](#) is presently under development, with initial focus on products of [service industries](#). (NAPCS will focus on manufacturing products at a later date; for existing census codes, see the [Numerical List](#).)



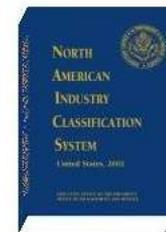
Federal Register notice solicited comments for [NAICS 2007](#) (comment period ended Mar. 2003).



The official **2002 US NAICS Manual** *North American Industry Classification System--United States, 2002* includes definitions for each industry, tables showing correspondence between 2002 NAICS and 1997 NAICS for codes that changed, and a comprehensive index--features also available on this web site. To order the 1400-page *2002 Manual*, in print, call NTIS at (800) 553-6847 or (703) 605-6000, or check the [NTIS web site](#). The 1250-page *1997 Manual*, showing correspondence between 1997 NAICS and 1987 SIC, is also available. The 2002 and 1997 versions of NAICS are available on CD-ROMs, which can be ordered at NTIS.



Also available at this site are lists of [2002 NAICS codes](#) (with links to definitions), [1997 NAICS codes](#), tables showing [correspondence between NAICS 97 and SIC](#), tables showing [correspondence between NAICS 97 and NAICS 02](#), and other files for [downloading](#).



A summary of [NAICS supporting documents](#) cites Federal Register Notices, issues papers, and other reports about NAICS.

NAICS was developed in cooperation with the [US Economic Classification Policy Committee](#), [Statistics Canada](#), and Mexico's [Instituto Nacional de Estadística, Geografía e Informática](#).

NAICS and the Economic Census

The economic census collects, tabulates, analyzes, and publishes detailed information about the Nation's economy, including the number of establishments, measures of output, payroll, and employment on a NAICS basis every five years for the years ending in '2' and '7'.

The economic census is “indispensable to understanding America’s economy.”

NAICS and the Economic Census

Collecting the Data

- the U.S. Census Bureau mails out approximately 4.7 million economic census report forms.
 - there are over 600 versions of the economic census report form, each tailored to particular NAICS industries.
 - the content of the forms was developed in consultation with data suppliers, accounting organizations, trades associations, other data users, and the U.S. Office of Management and Budget.
 - NAICS codes are present on the forms.
- data is collected for more than 11,000 NAICS industries.

Census Bureau NAICS Website

Finding your NAICS code

<http://www.census.gov/naics>

U.S. Census Bureau

NAICS to SIC
SIC to NAICS

heating oil

NAICS Search

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Product Classification
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North American Industry Classification System (NAICS)

The North American Industry Classification System (NAICS) has replaced 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 2002 includes substantial revisions within the Construction and Wholesale Trade sectors, and a number of revisions for the Retail and Information sectors. NAICS 2002 will be implemented in the [2002 Economic Census](#).

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Census Bureau NAICS Website

Finding your NAICS code

Results for "heating oil"

Index entry	NAICS Code		2002 U.S. NAICS Title
	2002	1997	
Heating oil dealers, direct selling	454311		Heating Oil Dealers
Heating oils made in petroleum refineries	324110		Petroleum Refineries

Try another keyword search:

NAICS SEARCH

What is a small business?

Definitions (FAR 19.001):

- **Small Business:** *“A concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualifies as a small business under the criteria and size standards in 13 CFR Part 121.”*
- **Concern:** *“Any business entity organized for profit (even if its ownership is in the hands of a nonprofit entity) with a place of business located in the US or its outlying areas and which makes a significant contribution to the US economy through payment of taxes and/or use of American products, material, labor, etc.”*
Includes but is not limited to an individual, partnership, corporation, joint venture, association, or cooperative.

NAICS Codes and Small Business Size Standards

The SBA establishes small business size standards on an industry-by-industry basis using the North American Industry Classification System (NAICS) manual.

Federal contracting organizations use NAICS codes to establish the size standards for individual contracting actions.

The contracting officer determines the appropriate NAICS code that applies to the acquisition and identifies it and the small business size standard in each solicitation so firms can determine if they are a large or small business for that particular acquisition.

The size standards for each NAICS code are published by the Small Business Administration and are available via the Internet at:

www.sba.gov/size

Examples of Small Business Size Standards

<u>Type Industry Standard</u>	<u>NAICS Code</u>	<u>Size</u>
Aircraft Airframe Part employees	336413	1000
Radar Part employees	334511	750
Computer Programming annually	541511	\$18 M
Engineering Services annually (Military Application)	541330	\$23 M

Self Certification

A contractor self-certifies their small business status. The contracting officer shall accept an firm's self-certification unless:

- (1) another offeror or interested party challenges it, or
- (2) the contracting officer has a reason to question the representation.

Summary:

1. NAICS is a hierarchical classification system that starts with the 2-digit sector and ends with the 6-digit national industry.
2. There are 20 NAICS sectors.
3. NAICS classifications are based on the principle of “production process”.
4. NAICS is an international coding system developed by Canada, Mexico, and the United States.
5. The entire economic census is conducted ***on a NAICS basis.***

Contact Information:

For information on NAICS, contact:

NAICS website:

<http://www.census.gov/naics>

U.S. Small Business Administration

<http://www.sba.gov>