

D.C. Department of Employment Services
Office of Labor Market Research and Information

Annual 2004

Covered Employment and Wages by Industry

Prepared by:
D.C. Department of Employment Services
Office of Labor Market Research and Information



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Introduction

Each quarter, the Department of Employment Service (DOES) publishes *Covered Employment and Wages*. These comprehensive tables of employment activity include government and private sectors; federal and state government; and all other sectors of the economy – goods producing, service producing, financial, and leisure and hospitality.

Covered Employment and Wages fulfills a critical part of the DOES mission:

The mission of the Department of Employment Services is to plan, develop and administer employment-related services to all segments of the Washington, D.C. metropolitan population.

The D.C. Department of Employment Services (DOES) Office of Labor Market Research and Information, under the direction of Charles Roeslin III, Associate Director, compiled the statistical data and provided the technical information in this publication in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics.

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Table of Contents

Introduction	1
Annual 2004 Total Covered Employment and Wages	3
Government and Private Sector Summaries	3
Goods Producing	3
Service Producing	4
Financial Activities	5
Professional and Business Services	6
Education and Health Services	6
Leisure and Hospitality	7
Disclaimer	8
North American Industry Classification System (NAICS)	9

Covered Employment and Wages

District of Columbia

Covered employment and wages are based on unemployment insurance tax reports of employers subject to unemployment insurance laws.

These tables are generated from statistics produced by the District of Columbia's Covered Employment and Wages (ES-202) Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. They provide information about the basic industrial profile of the District's economy. The data are generated and published quarterly and annually.

For more information about covered employment and wages, please turn to page 8.

SECTOR/INDUSTRY

Annual 2004 *

	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***
TOTAL EMPLOYMENT AND WAGES		29,869	659,528	\$42,124,130,983	\$1,228
GOVERNMENT SECTOR		327	230,335	\$16,725,682,480	\$1,396
FEDERAL GOVERNMENT		286	192,620	\$14,706,515,507	\$1,468
STATE GOVERNMENT & PUBLIC TRANSPORTATION		41	37,715	\$2,019,166,973	\$1,030
PRIVATE SECTOR		29,542	429,194	\$25,398,448,503	\$1,138
GOODS-PRODUCING		1,083	14,797	\$782,914,168	\$1,018
NATURAL RESOURCES & MINING	11 & 21	8	29	\$4,188,145	\$2,777
CONSTRUCTION	23	783	12,339	\$597,969,984	\$932
Construction of buildings	236	322	4,512	\$228,568,745	\$974
Residential building construction	2361	142	1,216	\$52,280,695	\$827
Nonresidential building construction	2362	180	3,296	\$176,288,050	\$1,029
Heavy and civil engineering construction	237	100	1,863	\$122,24,185	\$1,265
Utility system construction	2371	27	238	\$13,619,198	\$1,100
Land subdivision	2372	34	421	\$52,281,747	\$2,388
Highway, street, and bridge construction	2373	23	1,115	\$52,428,797	\$904
Other heavy construction	2379	16	88	\$4,194,443	\$917
Specialty trade contractors	238	361	5,964	\$246,877,054	\$796
Building foundation and exterior contractors	2381	87	1,673	\$62,110,276	\$714
Building equipment contractors	2382	155	2,889	\$142,797,133	\$951
Building finishing contractors	2383	90	1,035	\$29,805,777	\$554
Other specialty trade contractors	2389	29	368	\$12,163,868	\$636
MANUFACTURING	31-33	292	2,429	\$180,756,039	\$1,431
Food manufacturing	311	19	400	\$14,706,113	\$707
Bakeries and tortilla manufacturing	3118	11	378	\$12,770,852	\$650
Textile product mills	314	9	30	\$926,215	\$594
Textile furnishings mills	3141	9	30	\$926,215	\$594
Apparel manufacturing	315	9	18	\$411,555	\$440
Cut and sew apparel manufacturing	3152	9	18	\$411,555	\$440
Printing and related support activities	323	94	868	\$42,126,677	\$933
Printing and related support activities	3231	94	868	\$42,126,677	\$933
Petroleum and coal products manufacturing	324	5	74	\$8,484,529	\$2,205
Chemical manufacturing	325	28	150	\$23,286,677	\$2,985
Pharmaceutical and medicine manufacturing	3254	21	136	\$18,792,530	\$2,657
Nonmetallic mineral product manufacturing	327	9	109	\$5,415,059	\$955
Primary metal manufacturing	331	4	12	\$3,912,170	\$6,270
Fabricated metal product manufacturing	332	9	80	\$6,120,538	\$1,471
Machinery manufacturing	333	11	33	\$3,069,597	\$1,789
Computer & electronic product manufacturing	334	46	263	\$46,909,232	\$3,430
Electronic instrument manufacturing	3345	9	49	\$5,476,238	\$2,149
Transportation equipment manufacturing	336	5	50	\$8,231,702	\$3,166
Miscellaneous manufacturing	33	17	163	\$6,970,669	\$822
Medical equipment and supplies manufacturing	3391	7	4	\$149,206	\$717
Other miscellaneous manufacturing	3399	10	159	\$6,821,463	\$825

*/ **/ *** See notes on page 7.

SECTOR/INDUSTRY

Annual 2004 *

	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***
SERVICE-PRODUCING (PRIVATE)					
TRADE, TRANSPORTATION & UTILITIES		2,680	27,594	\$1,129,881,729	\$787
WHOLESALE TRADE	42	574	4,576	\$346,295,756	\$1,455
Merchant wholesalers, durable goods	423	198	2,135	\$184,024,805	\$1,658
Motor vehicle and parts merchant wholesalers	4231	16	151	\$14,039,833	\$1,788
Furniture and furnishing merchant wholesalers	4232	43	115	\$6,624,945	\$1,108
Lumber and construction supply merchant wholesalers	4233	7	38	\$1,941,626	\$983
Commercial equipment merchant wholesalers	4234	76	1,151	\$107,297,855	\$1,793
Electric goods merchant wholesalers	4236	17	482	\$37,732,541	\$1,505
Hardware and plumbing merchant wholesalers	4237	15	94	\$6,789,248	\$1,389
Machinery and supply merchant wholesalers	4238	14	85	\$8,549,455	\$1,934
Merchant wholesalers, nondurable goods	424	213	1,871	\$120,018,975	\$1,234
Druggists' goods merchant wholesalers	4242	41	197	\$37,474,993	\$3,658
Apparel and piece goods merchant wholesalers	4243	19	61	2,555,548	\$806
Grocery and related product wholesalers	4244	79	692	\$26,870,278	\$747
Chemical merchant wholesalers	4246	11	41	\$2,551,119	\$1,197
Alcoholic beverage merchant wholesalers	4248	23	595	\$34,406,932	\$1,112
Misc. nondurable goods merchant wholesalers	4249	32	253	\$12,316,625	\$936
Electronic markets and agents and brokers	425	162	571	\$42,251,976	\$1,423
Electronic markets and agents and brokers	4251	162	571	\$42,251,976	\$1,423
RETAIL TRADE	44-45	1,829	17,477	\$486,015,284	\$535
Motor vehicle and parts dealers	441	40	414	\$14,311,375	\$665
Automobile dealers	4411	19	178	\$7,148,254	\$772
Auto parts, accessories, and tire stores	4413	21	236	\$7,163,121	\$584
Furniture and home furnishings stores	442	99	652	\$20,330,124	\$600
Furniture stores	4421	41	230	\$10,874,718	\$909
Home furnishings stores	4422	58	422	\$9,455,406	\$431
Electronics and appliance stores	443	106	543	\$20,283,825	\$718
Building material and garden supply stores	444	42	760	\$46,953,132	\$1,188
Building material and supplies dealers	4441	38	717	\$42,909,902	\$1,151
Lawn and garden equipment and supplies stores	4442	4	42	\$4,043,230	\$1,851
Food and beverage stores	445	492	5,485	\$136,436,894	\$478
Grocery stores	4451	286	4,296	\$105,200,560	\$471
Specialty food stores	4452	36	490	\$10,798,776	\$424
Beer, wine, and liquor stores	4453	170	700	\$20,437,558	\$561
Health and personal care stores	446	152	2,136	\$67,119,164	\$604
Health and personal care stores	4461	152	2,136	\$67,119,164	\$604
Gasoline stations	447	89	545	\$12,100,711	\$427
Gasoline stations	4471	89	545	\$12,100,711	\$427
Clothing and clothing accessories stores	448	323	3,131	\$73,501,151	\$451
Clothing stores	4481	229	2,406	\$54,572,972	\$436
Shoe stores	4482	44	472	\$8,965,860	\$365
Jewelry, luggage, and leather goods stores	4483	50	252	\$9,962,319	\$760
Sporting goods, hobby, book and music stores	451	119	1,468	\$27,716,512	\$363
Sporting goods and musical instrument stores	4511	35	348	\$6,807,125	\$376
Book, periodical, and music stores	4512	85	1,120	\$20,909,387	\$359
General merchandise stores	452	49	691	\$17,291,373	\$481
Department stores	4521	7	365	\$10,846,288	\$571
Other general merchandise stores	4529	42	326	\$6,445,085	\$380
Miscellaneous store retailers	453	282	1,520	\$43,698,665	\$553
Florists	4531	47	312	\$8,450,343	\$521
Office supplies, stationery, and gift stores	4532	112	678	\$19,874,831	\$564
Used merchandise stores	4533	39	185	\$4,335,592	\$451
Other miscellaneous store retailers	4539	85	345	\$11,037,899	\$615
Nonstore retailers	454	37	134	\$6,272,358	\$900
Electronic shopping and mail-order house	4541	17	91	\$5,253,879	\$1,110
Vending machine operators	4542	5	11	\$316,584	\$553
Direct selling establishments	4543	15	32	\$701,895	\$422

*/ **/ *** See notes on page 7.

SECTOR/INDUSTRY

Annual 2004 *

	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker**
TRADE, TRANSPORTATION & UTILITIES (continued)					
TRANSPORTATION AND WAREHOUSING	48-49	245	3,054	\$117,512,670	\$740
Air transportation	481	39	154	\$12,597,075	\$1,573
Water transportation	483	7	153	\$6,273,463	\$789
Truck transportation	484	28	185	\$7,310,372	\$760
General freight trucking	4841	10	105	\$5,146,858	\$943
Specialized freight trucking	4842	18	81	\$2,163,514	\$514
Transit and ground passenger transportation	485	51	1,058	\$36,289,280	\$660
Taxi and limousine service	4853	23	599	\$24,435,918	\$785
Other ground passenger transportation	4859	20	123	\$3,412,296	\$534
Support activities for transportation	488	38	138	\$9,249,816	\$1,289
Support activities for road transportation	4884	17	47	\$1,199,643	\$491
Freight transportation arrangement	4885	15	40	\$4,669,323	\$2,259
Couriers and messengers	492	62	668	\$29,096,138	\$838
UTILITIES	22	32	2,487	\$180,058,019	\$1,392
Utilities	221	32	2,487	\$180,058,019	\$1,392
INFORMATION	51	1,030	23,861	\$2,014,526,824	\$1,624
Publishing industries, except Internet	511	323	9,181	\$711,725,157	\$1,491
Newspaper, book, and directory publishers	5111	261	8,160	\$592,877,201	\$1,397
Software publishers	5112	62	1,022	\$118,847,956	\$2,236
Motion picture and sound recording industries	512	177	1,591	\$95,059,553	\$1,149
Motion picture and video industries	5121	156	1,501	\$89,311,274	\$1,144
Sound recording industries	5122	21	90	\$5,748,279	\$1,228
Broadcasting, except Internet	515	84	4,374	\$478,343,096	\$2,103
Internet publishing and broadcasting	516	26	133	\$9,426,803	\$1,363
Internet publishing and broadcasting	5161	26	133	\$9,426,803	\$1,363
Telecommunications	517	179	3,232	\$292,072,909	\$1,738
Wired telecommunications carriers	5171	83	1,534	\$112,515,184	\$1,411
Wireless telecommunications carriers	5172	24	178	\$19,707,557	\$2,129
Telecommunications resellers	5173	56	516	\$53,327,913	\$1,987
ISPs, search portals, and data processing	518	157	3,175	\$243,837,981	\$1,477
ISPs and web search portals	5181	123	2,441	\$195,242,037	\$1,538
Data processing and related services	5182	34	734	\$48,595,944	\$1,273
Other information services	519	86	2,174	\$184,061,325	\$1,628
Other information services	5191	86	2,174	\$184,061,325	\$1,628
FINANCIAL ACTIVITIES		1,894	27,166	\$2,440,132,169	\$1,727
FINANCE AND INSURANCE	52	915	16,648	\$1,852,432,698	\$2,140
Credit intermediation and related activities	522	386	8,530	\$949,120,121	\$2,140
Depository credit intermediation	5221	234	3,838	\$242,478,674	\$1,215
Securities, commodity contracts, investment	523	249	2,964	\$478,600,420	\$3,105
Securities and commodity contracts brokers	5231	95	1,943	\$317,957,757	\$3,147
Securities and commodity exchanges	5232	5	12	\$1,910,264	\$3,061
Other financial investment activities	5239	149	1,010	\$158,732,399	\$3,022
Insurance carriers and related activities	524	221	3,833	\$301,570,247	\$1,513
Insurance carriers	5241	98	2,907	\$209,160,935	\$1,384
Insurance agencies, brokerages, and related activities	5242	124	926	\$92,409,312	\$1,919
Insurance and employee benefit funds	5251	25	1,066	\$77,915,921	\$1,406
Other investment pools and funds	5259	33	246	\$44,338,425	\$3,466

*/ **/ *** See notes on page 7.

SECTOR/INDUSTRY

Annual 2004 *

	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***
FINANCIAL ACTIVITIES (continued)					
REAL ESTATE AND RENTAL AND LEASING	53	979	10,519	\$587,699,471	\$1,074
Real estate	531	890	9,305	\$552,294,286	\$1,141
Lessors of real estate	5311	276	3,262	\$151,091,863	\$891
Offices of real estate agents and brokers	5312	225	1,430	\$119,997,607	\$1,613
Activities related to real estate	5313	389	4,612	\$281,224,816	\$1,173
Automotive equipment rental and leasing	5321	24	206	\$5,111,135	\$477
Consumer goods rental	5322	31	420	\$13,573,372	\$621
General rental centers	5323	5	62	\$2,391,336	\$742
Machinery and equipment rental and leasing	5324	27	525	\$14,300,260	\$524
PROFESSIONAL AND BUSINESS SERVICES		7,778	137,014	\$10,229,943,414	\$1,436
PROFESSIONAL AND TECHNICAL SERVICES	54	6,102	93,829	\$8,647,916,565	\$1,772
Professional and technical services	541	6,102	93,829	\$8,647,916,565	\$1,772
Legal services	5411	1,422	32,617	\$3,617,918,618	\$2,133
Accounting and bookkeeping services	5412	252	4,691	\$342,954,561	\$1,406
Architectural and engineering services	5413	425	6,740	\$507,572,969	\$1,448
Specialized design services	5414	158	792	\$47,945,641	\$1,164
Computer systems design and related services	5415	1,022	13,330	\$944,313,283	\$1,362
Management and technical consulting services	5416	1,368	12,534	\$1,189,299,842	\$1,825
Scientific research and development services	5417	503	14,711	\$1,093,644,805	\$1,430
Advertising and related services	5418	760	6,673	\$776,342,443	\$2,237
Other professional and technical services	5419	193	1,740	\$127,924,403	\$1,414
MANAGEMENT OF COMPANIES AND ENTERPRISES	55	79	1,419	\$204,940,762	\$2,777
Management of companies and enterprises	551	79	1,419	\$204,940,762	\$2,777
Management of companies and enterprises	5511	79	1,419	\$204,940,762	\$2,777
ADMINISTRATIVE AND WASTE SERVICES	56	1,598	41,767	\$1,377,086,087	\$634
Administrative and support services	561	1,550	41,432	\$1,363,120,706	\$633
Office administrative services	5611	185	3,432	\$219,128,951	\$1,228
Facilities support services	5612	38	1,774	\$67,708,150	\$734
Employment services	5613	492	11,305	\$402,307,579	\$684
Business support services	5614	194	2,992	\$149,720,877	\$962
Travel arrangement and reservation services	5615	163	1,153	\$50,639,912	\$845
Investigation and security services	5616	119	7,783	\$251,772,022	\$622
Services to buildings and dwellings	5617	267	12,427	\$204,047,771	\$316
Other support services	5619	92	566	\$17,795,444	\$605
Waste management and remediation services	562	48	336	\$13,965,381	\$799
Waste collection	5621	24	166	\$6,758,783	\$783
Waste treatment and disposal	5622	4	39	\$2,022,974	\$998
Remediation and other waste services	5629	21	130	\$5,183,624	\$767
EDUCATION AND HEALTH SERVICES		2,346	86,553	\$3,922,574,907	\$872
EDUCATIONAL SERVICES	61	445	35,804	\$1,518,840,422	\$816
Educational services	611	445	35,804	\$1,518,840,422	\$816
Elementary and secondary schools	6111	94	5,247	\$211,020,022	\$773
Colleges and universities	6113	51	26,109	\$1,132,866,185	\$834
Business, computer and management training	6114	84	840	\$42,088,683	\$964
Other schools and instruction	6116	107	1,644	\$49,409,858	\$578
Educational support services	6117	86	1,330	\$74,244,249	\$1,074
HEALTH CARE AND SOCIAL ASSISTANCE	62	1,901	50,749	\$2,403,734,485	\$911
Ambulatory health care services	621	1,218	10,215	\$630,171,604	\$1,186
Offices of physicians	6211	596	4,002	\$305,695,585	\$1,469
Offices of dentists	6212	321	1,348	\$77,028,591	\$1,099
Offices of other health practitioners	6213	156	602	\$28,975,276	\$926
Outpatient care centers	6214	63	2,732	\$161,723,553	\$1,138
Medical and diagnostic laboratories	6215	31	226	\$17,707,598	\$1,507
Home health care services	6216	23	830	\$19,566,884	\$453
Other ambulatory health care services	6219	28	475	\$19,474,117	\$788

*/ **/ *** See notes on page 7.

SECTOR/INDUSTRY

Annual 2004 *

	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***
EDUCATION AND HEALTH SERVICES					
HEALTH CARE AND SOCIAL ASSISTANCE (continued)					
Hospitals	622	22	22,466	\$1,165,275,132	\$997
General medical and surgical hospitals	6221	15	21,874	\$1,141,862,905	\$1,004
Nursing and residential care facilities	623	156	7,372	\$212,048,478	\$553
Nursing care facilities	6231	15	1,678	\$48,072,006	\$551
Residential mental health facilities	6232	86	1,569	\$41,827,594	\$513
Community care facilities for the elderly	6233	19	2,409	\$79,391,187	\$634
Other residential care facilities	6239	36	1,716	\$42,757,691	\$479
Social assistance	624	506	10,697	\$396,239,271	\$712
Individual and family services	6241	195	2,949	\$97,085,986	\$633
Emergency and other relief services	6242	82	3,210	\$170,152,025	\$1,019
Vocational rehabilitation services	6243	75	1,886	\$69,977,139	\$714
Child day care services	6244	155	2,653	\$59,024,121	\$428
LEISURE AND HOSPITALITY		2,072	50,896	\$1,349,255,034	\$510
ARTS, ENTERTAINMENT, AND RECREATION	71	288	5,617	\$230,657,058	\$790
Performing arts and spectator sports	711	176	2,760	\$166,740,318	\$1,162
Performing arts companies	7111	50	1,207	\$38,932,174	\$620
Spectator sports	7112	6	383	\$92,044,333	\$4,622
Promoters of performing arts and sports	7113	39	995	\$20,923,651	\$404
Agents and managers for public figures	7114	15	71	\$5,101,340	\$1,382
Independent artists, writers, and performers	7115	66	104	\$9,738,820	\$1,801
Museums, historical sites, zoos, and parks	712	24	790	\$25,925,258	\$631
Amusements, gambling, and recreation	713	88	2,067	\$37,991,482	\$353
ACCOMMODATION AND FOOD SERVICES	72	1,784	45,279	\$1,118,597,976	\$475
Accommodation	721	119	14,795	\$507,967,348	\$660
Traveler accommodation	7211	108	14,716	\$505,923,403	\$661
Food services and drinking places	722	1,665	30,484	\$610,630,628	\$385
Full-service restaurants	7221	583	15,209	\$329,805,135	\$417
Limited-service eating places	7222	826	9,670	\$163,997,944	\$326
Special food services	7223	193	4,443	\$98,152,127	\$425
Drinking places, alcoholic beverages	7224	63	1,162	\$18,675,422	\$309
OTHER SERVICES, EXCEPT PUBLIC ADMINISTRATION	81	7,457	55,188	\$3,2032,019,390	\$1,116
Repair and maintenance	811	170	875	\$27,584,019	\$606
Automotive repair and maintenance	8111	110	557	\$14,109,972	\$487
Electronic equipment repair and maintenance	8112	22	148	\$7,315,023	\$950
Personal and laundry services	812	601	5,915	\$160,093,569	\$520
Personal care services	8121	236	1,618	\$52,820,971	\$628
Death care services	8122	23	209	\$7,329,244	\$674
Drycleaning and laundry services	8123	136	956	\$20,689,035	\$416
Other personal services	8129	205	3,132	\$79,254,319	\$487
Membership associations and organizations	813	2,626	44,079	\$2,933,388,904	\$1,280
Religious organizations	8131	122	1,921	\$79,562,016	\$796
Grantmaking and giving services	8132	333	3,043	\$187,608,964	\$1,186
Social advocacy organizations	8133	788	9,493	\$517,400,903	\$1,048
Civic and social organizations	8134	170	3,364	\$137,730,836	\$787
Professional and similar organizations	8139	1,215	26,258	\$2,011,086,185	\$1,473
Private households	814	4,060	4,319	\$81,952,898	\$365
Private households	8141	4,060	4,319	\$81,952,898	\$365
UNCLASSIFIED ESTABLISHMENTS	99	3,202	6,126	\$326,200,868	\$1,024

Notes:

* Data presented in this publication is based on information compiled and collected through June 2005. With additional information, the data may change.

Details may not equal totals because some confidential or non-disclosable data are not shown in this publication.

Number of reporting units is a count of employing units or worksites covered by unemployment insurance taxes.

** NAICS is North American Industry Classification Code. See appendix for more information on NAICS.

*** Reflects bonuses, executive pay, profits distributed, or unidentified lump-sum payments.

Nature and Limitations of the Data on Covered Employment and Wages

The information in this publication is based on unemployment insurance tax reports submitted quarterly by employers subject to the District of Columbia's unemployment insurance laws and/or employers who employ federal civilian workers, under the Unemployment Compensation for Federal Employees Program. Covered employment and wages are reported by each firm for each month using the payroll period that includes the twelfth of each month. Total wages, taxable wages and contributions for the payroll period that includes the twelfth of each month are reported for the entire quarter.

Employment and wage data contained in this publication are classified by industry based on the North American Industry Classification System (NAICS).

The Department of Employment Services, Office of Labor Market Research and Information, under a confidentiality agreement with the U.S. Department of Labor, Bureau of Labor Statistics, does not publish or release employment, wage or any other data that could be identified with an individual employer or employee.

Coverage

Jobs that are exempt or otherwise not covered by unemployment insurance are not included in covered employment. In the private sector, this includes certain wage and salary agricultural employees, self-employed farmers, self-employed nonagricultural workers, domestic workers and unpaid family workers. Workers covered by the railroad unemployment insurance system and members of the military, including those stationed in the United States, are also excluded. Certain types of nonprofit employers, such as religious organizations, are given a choice of coverage or exclusion in a number of states, so data for their employees are reported to a limited degree. The District of Columbia includes nonprofit employers such as religious organizations in its covered employment and wage data.

The strength of covered employment data is its comprehensiveness, which results in more accurate data and substantial industry detail. A limitation to the covered data is that it is not as timely as other data series such as the Current Employment Statistics data, which is based on a monthly survey of a smaller number of reporters.

Industrial Classification

Covered employment and wage data from 1975 through 1987 were coded according to the 1972 Standard Industrial Classification (SIC) Manual. From 1988 forward, covered data were coded according to the 1987 SIC Manual. Beginning with data for First Quarter 2001, covered data are collected and made available under both the 1987 SIC Manual and the North American Industry Classification System (NAICS). NAICS represents a change in the conceptual framework of establishment classification. Unlike the SIC system, which classifies establishments by type of activity in which they are primarily engaged, NAICS is based on a production-oriented or supply-based conceptual framework. This conceptual framework groups establishments into industries according to similarity in the processes used to produce goods or services. Full implementation of NAICS by federal statistical agencies will take place over the course of several years. After NAICS completely replaces the SIC system, dual reporting will no longer be done. Covered employment and wages data will eventually be compiled and classified according to NAICS.

Purposes and Uses

Covered employment data are instrumental in determining federal allocations of program grants to state and local governments. These outputs serve as the basic source of benchmark information for employment by industry and employment by size of establishment in the Current Employment Statistics program, the Occupational Employment Statistics program and the Occupational Safety and Health Statistics program. The Bureau of Economic Analysis of the U.S. Department of Commerce uses this data as a base for estimating a large part of the wage and salary component of personal income accounts. The Social Security Administration and state governments also use covered data in updating economic assumptions and forecasting trends in their taxable wage base. Business and public and private research organizations find the covered employment statistics to be one of the best sources of detailed employment and wage information. Covered employment and wages are also used in other programs and activities of the U.S. Bureau of Labor Statistics.

Covered employment data have broad significance in evaluating labor trends and major industry developments. They are used in time series analysis, in industry comparisons and in special studies such as analysis of wage by size of establishment. Covered employment and wage data are used by the U.S. Department of Labor's Employment and Training Administration and various state employment security agencies in administering the employment security program.

North American Industry Classification System (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.

Background

For more than 60 years, the Standard Industrial Classification (SIC) system has served as the structure for the collection, aggregation, presentation and analysis of the U.S. economy. An industry consists of a group of establishments primarily engaged in producing or handling the same product or group of products or in rendering the same services. Industry definitions used in U.S. Bureau of Labor Statistics programs come from the 1987 Standard Industrial Classification (SIC) Manual. Because the SIC is used by many other federal government statistical programs, it is possible for users to assemble a comprehensive statistical picture of an industry.

The SIC system was developed in the 1930's at a time when manufacturing dominated the U.S. economic scene. Over the last 60 years, there have been numerous revisions to the SIC system, reflecting the economy's changing industrial composition. However, despite these revisions, the system has received increasing criticism about its ability to handle rapid changes in the U.S. economy. Recent developments in information services, new forms of health care provision, expansion of services and high-tech manufacturing are examples of industrial changes that cannot be studied under the current SIC system.

Introducing NAICS

Developed by the United States, in cooperation with Canada and Mexico, the North American Industry Classification System (NAICS) represents one of the most profound changes for statistical programs focusing on emerging economic activities. NAICS, developed using a production-oriented conceptual framework, groups establishments into industries based on the activity in which they are primarily engaged. Establishments using similar raw material inputs, similar capital equipment and similar labor are classified in the same industry. In other words, establishments that do similar things in similar ways are classified together.

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. 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 sub-sector 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.

Why is NAICS better?

Relevancy. NAICS identifies more industries that contribute to today's economy; more than 350 new industries and nine 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 five 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.

NAICS Coding Structure

NAICS uses a six digit hierarchical coding system to classify all economic activity into 20 industry sectors. Five sectors are mainly goods-producing sectors and 15 are entirely services-producing sectors. This six digit hierarchical structure allows greater coding flexibility than the four digit structure of the SIC. NAICS allows for the identification of 1,170 industries compared to the 1,004 found in the SIC system.

Sources of information on NAICS:

U.S. Bureau of Labor Statistics
U.S. Bureau of the Census



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Note: The statistics in this publication may change with receipt of additional information.

Notice of Non-Discrimination

In accordance with the D.C. Human Rights Act of 1977, as amended, D.C. Official Code Section 2-1401.01 et seq., (Act) the District of Columbia does not discriminate on the basis of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, matriculation, political affiliation, disability, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act. Discrimination in violation of the Act will not be tolerated. Violators will be subject to disciplinary action.

The Department of Employment Services is an Equal Opportunity Employer/Provider. Auxiliary aids and services are available upon request to persons with disabilities.