

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 D.C. Department of Employment Services (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, from goods and service producing to financial, and leisure and hospitality.

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

The mission of the D.C. 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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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 2005 *					
	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***	
TOTAL EMPLOYMENT AND WAGES		30,661	667,581	\$44,515,585,014	\$1,282	
GOVERNMENT SECTOR FEDERAL GOVERNMENT STATE GOVERNMENT & PUBLIC TRANSPORTATION	Ň	320 281 39	231,919 193,792 38,127	\$17,681,970,316 \$15,544,925,944 \$2,137,044,372	\$1,466 \$1,543 \$1,078	
PRIVATE SECTOR		30,341	435,662	\$26,833,614,698	\$1,184	
GOODS-PRODUCING		1,055	14,781	\$775,158,939	\$1,009	
NATURAL RESOURCES & MINING	11 & 21	5	22	\$4,551,570	\$3,979	
CONSTRUCTION Construction of buildings Residential building construction Nonresidential building construction Heavy and civil engineering construction Utility system construction Land subdivision Highway, street, and bridge construction Other heavy construction Specially trade contractors Building foundation and exterior contractors Building fundation and exterior contractors Building equipment contractors Building finishing contractors Other specialty trade contractors Other specialty trade contractors Building finishing contractors Other specialty trade contractors Contractors Building finishing contractors Context and the special trade contractor for the special trade contractors Context and the special trade contractor for the special trade contract trade contractor for the special trade contract trad	23 236 2361 2362 237 2371 2372 2373 2379 238 2381 2382 2383 2389 31-33 311 3118 314 3141 315 3152	803 345 170 176 87 24 28 21 15 372 88 162 93 29 248 18 10 9 9 10 10	$\begin{array}{c} \textbf{12,652} \\ 4.638 \\ 1.302 \\ 3.336 \\ 1.765 \\ 347 \\ 337 \\ 1.010 \\ 70 \\ 6.250 \\ 1.838 \\ 2.986 \\ 1.027 \\ 398 \\ \textbf{2,107} \\ 398 \\ \textbf{2,107} \\ 381 \\ 357 \\ 28 \\ 28 \\ 28 \\ 26 \\ 26 \\ 26 \end{array}$	\$610,937,587 \$241,036,582 \$51,608,528 \$189,428,054 \$115,113,262 \$17,147,422 \$46,417,824 \$47,996,389 \$3,551,627 \$254,787,743 \$63,996,403 \$140,709,415 \$32,120,169 \$17,961,756 \$159,669,782 \$14,027,989 \$11,550,091 \$909,597 \$909,597 \$514,320 \$514,320	\$929 \$999 \$762 \$1.092 \$1,254 \$950 \$2,649 \$914 \$976 \$784 \$670 \$906 \$661 \$868 \$1,457 \$708 \$622 \$625 \$625 \$380 \$380	
Printing and related support activities Printing and related support activities Petroleum and coal products manufacturing Chemical manufacturing Pharmaceutical and medicine manufacturing Primary metal manufacturing Fabricated metal manufacturing Machinery manufacturing Computer & electronic product manufacturing Electronic instrument manufacturing Transportation equipment manufacturing Miscellaneous manufacturing Medical equipment and supplies manufacturi	327 331 332 333 334 3345 336 339	82 82 4 23 18 7 3 9 9 9 37 7 4 12 4 8	734 734 70 154 141 118 9 59 27 222 39 40 81 4 77	\$38,875,021 \$38,875,021 \$5,858,681 \$28,154,576 \$21,659,111 \$6,006,095 \$2,915,948 \$4,642,177 \$2,424,284 \$37,788,534 \$6,419,406 \$4,900,271 \$3,245,912 \$155,769 \$3,090,143	\$1,019 \$1,019 \$1,610 \$3,516 \$2,954 \$979 \$6,231 \$1,513 \$1,727 \$3,273 \$3,165 \$2,356 \$771 \$749 \$772	

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	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***
RVICE-PRODUCING (PRIVATE)					
TRADE, TRANSPORTATION & UTILITIES		2,748	27,464	\$1,173,023,416	\$821
WHOLESALE TRADE	42	680	4,601	\$371,360,510	\$1,552
Merchant wholesalers, durable goods	423	185	2,020	\$186,913,395	\$1,779
Motor vehicle and parts merchant wholesaler	rs 4231	16	149	\$13,519,207	\$1,745
Furniture and furnishing merchant wholesale		36	80	\$4,833,095	\$1,162
Lumber and construction supply merchant w		7	40	\$2,057,005	\$989
Commercial equipment merchant wholesaler		72	1,057	\$106,385,352	\$1,936
Electric goods merchant wholesalers	4236	16	478	\$40,119,861	\$1,614
Hardware and plumbing merchant wholesale		16	101	\$8,814,069	\$1,678
Machinery and supply merchant wholesalers		13	93	\$9,773,073	\$2,021
Merchant wholesalers, nondurable goods	424	201	1,880	\$127,905,524	\$1,308
Druggists' goods merchant wholesalers	4242	41	202	\$40,525,652	\$3,858
Apparel and piece goods merchant wholesale		18	105	\$3,216,649	\$589
Grocery and related product wholesalers	4244	76	696	\$27,354,550	\$756
Chemical merchant wholesalers	4246	10	41	\$2,479,550	\$1,163
Alcoholic beverage merchant wholesalers	4248	21	571	\$38,941,841	\$1,312
Misc. nondurable goods merchant wholesale		28	233	\$10,313,478	\$851
Electronic markets and agents and brokers	425	295	701	\$56,541,591	\$1,551
Electronic markets and agents and brokers	4251	295	701	\$56,541,591	\$1,551
RETAIL TRADE	44-45	1,810	17,620	\$502,636,523	\$549
Motor vehicle and parts dealers	441	40	402	\$13,951,027	\$667
Automobile dealers, accessories, and tire sto	res 4413	22	242	\$7,486,312	\$595
Furniture and home furnishings stores	442	103	783	\$22,979,031	\$564
Furniture stores	4421	44	278	\$11,964,575	\$828
Home furnishings stores	4422	60	505	\$11,014,456	\$419
Electronics and appliance stores	443	91	515	\$18,599,637	\$695
Building material and garden supply stores	444	44	801	\$47,991,872	\$1,152
Building material and supplies dealers	4441	40	762	\$44,040,653	\$1,111
Lawn and garden equipment and supplies sto	ores 4442	4	39	\$3,951,219	\$1,948
Food and beverage stores	445	490	5,055	\$135,457,515	\$515
Grocery stores	4451	283	3,861	\$103,153,309	\$514
Specialty food stores	4452	36	514	\$11,772,390	\$440
Beer, wine, and liquor stores	4453	171	680	\$20,531,816	\$581
Health and personal care stores	446	143	2,265	\$72,507,691	\$616
Health and personal care stores	4461	143	2,265	\$72,507,691	\$616
Gasoline stations	447	83	530	\$11,944,190	\$433
Gasoline stations	4471	83	530	\$11,944,190	\$433
Clothing and clothing accessories stores	448	328	3,269	\$78,189,470	\$460
Clothing stores	4481	226	2,564	\$59,036,505	\$443
Shoe stores	4482	50	446	\$8,811,912	\$380
Jewelry, luggage, and leather goods stores	4483	52	260	\$10,341,053	\$765
Sporting goods, hobby, book and music stores	451	116	1,432	\$27,714,390	\$372
Sporting goods and musical instrument store	s 4511	35	379	\$7,087,452	\$360
Book, periodical, and music stores	4512	81	1,053	\$20,626,938	\$377
General merchandise stores	452	49	969	\$22,915,558	\$455
Department stores	4521	9	652	\$16,609,250	\$490
Other general merchandise stores	4529	40	318	\$6,306,308	\$381
Miscellaneous store retailers	453	278	1,443	\$40,315,211	\$537
Florists	4531	44	305	\$8,440,093	\$532
Office supplies, stationery, and gift stores	4532	115	666	\$17,769,362	\$513
Used merchandise stores	4533	37	170	\$4,175,506	\$472
Other miscellaneous store retailers	4539	82	302	\$9,930,250	\$632
N	454	46	157	\$10,070,931	\$1,234
Nonstore retailers	7/7	40	1)/	ψ10,0/0, <i>J</i> J1	

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		Number of	Average		Average Weekly Wage Per	
	NAICS Code **	Reporting Units	Employment	Total Wages	Worker**	
RADE, TRANSPORTATION & UTILITIES (continued	1)					
TRANSPORTATION AND WAREHOUSING	48-49	226	2,682	\$104,202,121	\$747	
Air transportation	481	36	143	\$12,578,449	\$1,692	
Water transportation	483	7	159	\$6,235,313	\$754	
Truck transportation	484	25	183	\$7,555,247	\$794	
General freight trucking	4841	8	105	\$5,331,507	\$976	
Specialized freight trucking	4842	16	78	\$2,223,740	\$548	
Transit and ground passenger transportation	485	48	850	\$30,602,990	\$692	
Taxi and limousine service	4853	19	433	\$19,010,163	\$844	
Other ground passenger transportation	4859	20	133	\$3,847,053	\$556	
Support activities for transportation	488	32	89	\$5,977,534	\$1,292	
Support activities for road transportation	4884	13	39	\$993,020	\$490	
Freight transportation arrangement	4885	13	39	\$4,284,553	\$2,113	
Couriers and messengers	492	63	646	\$27,863,012	\$829	
	22	22	2.5(2	\$10/ 00/ 0C0	A1 / C2	
UTILITIES	22	32	2,562	\$194,824,262	\$1,462	
Utilities	221	32	2,562	\$194,824,262	\$1,462	
INFORMATION	51	933	22,571	\$2,027,965,632	\$1,728	
Publishing industries, except Internet	511	299	8,749	\$699,584,775	\$1,538	
Newspaper, book, and directory publishers	5111	252	7,857	\$593,382,022	\$1,452	
Software publishers	5112	48	892	\$106,202,753	\$2,290	
Motion picture and sound recording industries	512	150	1,337	\$79,747,499	\$1,147	
Motion picture and video industries	5121	133	1,232	\$73,334,616	\$1,145	
Sound recording industries	5122	18	104	\$6,412,883	\$1,186	
Broadcasting, except Internet	515	85	4,624	\$526,119,978	\$2,188	
Internet publishing and broadcasting	516	36	169	\$11,654,587	\$1,326	
Internet publishing and broadcasting	5161	36	169	\$11,654,587	\$1,326	
Telecommunications	517	156	2,871	\$304,751,897	\$2,041	
Wired telecommunications carriers	5171	73	1,349	\$117,111,578	\$1,669	
Wireless telecommunications carriers	5172	24	335	\$40,709,867	\$2,337	
Telecommunications resellers	5173	46	347	\$45,538,503	\$2,524	
ISPs, search portals, and data processing	518	123	2,665	\$221,612,059	\$1,599	
ISPs and web search portals	5181	88	1,945	\$171,396,736	\$1,695	
Data processing and related services	5182	35	720	\$50,215,323	\$1,341	
Other information services	519	85	2,156	\$184,494,837	\$1,646	
Other information services	5191	85	2,156	\$184,494,837	\$1,646	
FINANCIAL ACTIVITIES		1,915	26,956	\$2,458,472,179	\$1,754	
FINANCE AND INSURANCE	52	935	16,349	\$1,828,732,046	\$2,151	
Credit intermediation and related activities	522	391	8,500	\$862,059,745	\$1,950	
Depository credit intermediation	5221	235	3,773	\$253,496,245	\$1,292	
Securities, commodity contracts, investment	523	255	3,193	\$548,367,643	\$3,303	
Securities and commodity contracts brokers	5231	94	1,682	\$314,951,490	\$3,601	
Insurance carriers and related activities	524	213	3,297	\$286,538,852	\$1,671	
Insurance carriers	5241	91	2,400	\$199,367,466	\$1,597	
Insurance agencies, brokerages, and related acti		122	898	\$87,171,386	\$1,867	
Insurance and employee benefit funds	5251	22	1,107	\$86,433,603	\$1,502	
Other investment pools and funds	5259	37	241	\$44,265,104	\$3,532	
outer investment pools and funds	1419	3/	241	φ 11,20 3,104	φ3,334	

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			Average Weekly			
		Number of	Average		Wage Per	
	NAICS Code **	Reporting Units	Employment	Total Wages	Worker***	
FINANCIAL ACTIVITIES (continued)						
	-		40 (07		44.4/2	
REAL ESTATE AND RENTAL AND LEASING Real estate	53 531	980 892	10,607 9,295	\$629,740,133 \$590,769,419	\$1,142 \$1,222	
Lessors of real estate	5311	262	2,994	\$144,630,384	\$1,222	
Offices of real estate agents and brokers	5312	202 229	1,618	\$156,445,697	\$1,859	
Activities related to real estate	5313	401	4,682	\$289,693,338	\$1,190	
Automotive equipment rental and leasing	5321	25	216	\$5,683,994	\$506	
Consumer goods rental	5322	34	402	\$12,891,165	\$617	
General rental centers	5323	5	64	\$2,214,574	\$665	
Machinery and equipment rental and leas		22	630	\$18,180,981	\$555	
PROFESSIONAL AND BUSINESS SERVICES		7,913	141,859	\$11,082,760,753	\$1,502	
PROFESSIONAL AND TECHNICAL SERVICE	S 54	6,248	07 512	¢0 224 212 255	\$1,841	
Professional and technical services	541 541	6 ,248 6,248	97,512 97,512	\$9,334,212,255 \$9,334,212,255	\$1,841 \$1,841	
Legal services	541	6,248 1,397	97,512 32,804	\$9,334,212,255 \$3,751,124,176	\$1,841 \$2,199	
Accounting and bookkeeping services	5412	247	4,951	\$386,346,099	\$1,501	
Architectural and engineering services	5412	436	6,760	\$531,143,278	\$1,511	
Specialized design services	5414	163	792	\$53,554,156	\$1,300	
Computer systems design and related serv		1,110	15,582	\$1,149,678,473	\$1,419	
Management and technical consulting ser		1,449	12,932	\$1,264,510,492	\$1,880	
Scientific research and development servi		490	15,170	\$1,197,144,438	\$1,518	
Advertising and related services	5418	767	6,858	\$864,985,044	\$2,426	
Other professional and technical services		191	1,663	\$135,726,099	\$1,570	
MANAGEMENT OF COMPANIES AND ENTE	RPRISES 55	74	1,429	\$239,158,181	\$3,218	
Management of companies and enterprises	551	74	1,429	\$239,158,181	\$3,218	
Management of companies and enterprise		74	1,429	\$239,158,181	\$3,218	
ADMINISTRATIVE AND WASTE SERVICES	56	1,591	42,919	\$1,509,390,317	\$676	
Administrative and support services	561	1,540	42,507	\$1,494,348,050	\$676	
Office administrative services	5611	170	3,970	\$250,743,802	\$1,215	
Facilities support services	5612	37	1,777	\$70,707,952	\$765	
Employment services	5613	512	11,985	\$469,241,125	\$753	
Business support services	5614	190	2,798	\$148,039,429	\$1,017	
Travel arrangement and reservation service		157	1,230	\$54,162,900	\$847	
Investigation and security services	5616	124	8,049	\$273,285,085	\$653	
Services to buildings and dwellings	5617 5619	270	12,172 526	\$209,114,112	\$330 \$697	
Other support services		83		\$19,053,645	\$097 \$704	
Waste management and remediation service Waste collection	5621	51 24	411 160	\$15,042,267 \$6,119,534	\$736	
Waste treatment and disposal	5622	24 5	26	\$1,580,659	\$750 \$1,169	
Remediation and other waste services	5629	22	226	\$7,342,074	\$625	
EDUCATION AND HEALTH SERVICES		2,340	86,212	\$4,010,997,795	\$895	
EDUCATIONAL SERVICES	61	443	35,657	\$1,548,066,581	\$835	
Educational services	611	443		\$1,548,066,581	\$835 \$835	
Elementary and secondary schools	6111	445 98	35,657 5,707	\$1,548,000,581 \$238,328,426	\$803 \$803	
Colleges and universities	6113	98 50	25,753	\$1,150,539,156	\$859	
Business, computer and management trai		50 79	781	\$40,857,442	\$1,006	
Other schools and instruction	6116	109	1,662	\$50,940,857	\$589	
Educational support services	6117	82	1,116	\$56,526,729	\$974	
HEALTH CARE AND SOCIAL ASSISTANCE	62	1,897	50,555	\$2,462,931,214	\$937	
Ambulatory health care services	621	1,209	10,337	\$651,675,766	\$1,212	
Offices of physicians	6211	570	4,020	\$307,403,451	\$1,471	
Offices of dentists	6212	322	1,338	\$82,683,572	\$1,188	
Offices of other health practitioners	6213	167	601	\$29,470,185	\$943	
Outpatient care centers	6214	72	2,656	\$170,564,323	\$1,235	
Medical and diagnostic laboratories	6215	31	242	\$18,160,446	\$1,443	
Home health care services	6216	22	998	\$22,787,624	\$439	
Other ambulatory health care services	6219	26	481	\$20,606,165	\$824	

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	Annuai 2003					
	NAICS Code **	Number of Reporting Units	Average Employment	Total Wages	Average Weekly Wage Per Worker***	
EDUCATION AND HEALTH SERVICES						
HEALTH CARE AND SOCIAL ASSISTANCE (continu	ied)					
Hospitals	622	20	22,787	\$1,214,584,830	\$1,025	
General medical and surgical hospitals	6221	15	22,288	\$1,194,089,484	\$1,030	
Nursing and residential care facilities	623	157	7,192	\$212,606,998	\$568	
Nursing care facilities	6231	15	1,845	\$51,598,210	\$538	
Residential mental health facilities	6232	88	1,608	\$45,239,249	\$541	
Community care facilities for the elderly	6233	19	2,282	\$76,836,400	\$648	
Other residential care facilities	6239	35	1,457	\$38,933,139	514\$	
Social assistance	624	511	10,239	\$384,063,620	\$721	
Individual and family services	6241	198	3,008	\$102,522,279	\$655	
Emergency and other relief services	6242	68	2,938	\$163,399,702	\$1,070	
Vocational rehabilitation services	6243	74	1,525	\$50,068,526	\$631	
Child day care services	6244	171	2,768	\$68,073,113	\$473	
LEISURE AND HOSPITALITY		2,111	53,669	\$1,521,338,863	\$545	
ARTS, ENTERTAINMENT, AND RECREATION	71	288	6,094	\$303,959,498	\$959	
Performing arts and spectator sports	711	174	3,172	\$236,456,551	\$959 \$1,434	
Performing arts companies	7111	55	1,277	\$41,007,070	\$618	
Spectator sports	7112	6	547	\$154,413,541	\$5,429	
Promoters of performing arts and sports	7112	36	1,152	\$25,016,454	\$418	
Agents and managers for public figures	7114	11	61	\$4,724,572	\$1,489	
Independent artists, writers, and performers	7115	66	135	\$11,294,914	\$1,609	
Museums, historical sites, zoos, and parks	712	23	795	\$27,274,050	\$660	
Amusements, gambling, and recreation	713	91	2,127	\$40,228,897	\$364	
ACCOMMODATION AND FOOD SERVICES	72	1,823	47,575	\$1,217,379,365	\$492	
Accommodation	721	123	15,183	\$546,432,883	\$692	
Traveler accommodation	7211	112	15,106	\$544,257,053	\$693	
Food services and drinking places	722	1,700	32,392	\$670,946,482	\$398	
Full-service restaurants	7221	598	16,363	\$370,765,041	\$436	
Limited-service eating places	7222	851	10,209	\$179,560,700	\$338	
Special food services	7223	184	4,757	\$101,479,541	\$410	
Drinking places, alcoholic beverages	7224	68	1,063	\$19,141,200	\$346	
OTHER SERVICES,						
EXCEPT PUBLIC ADMINISTRATION	81	7,665	55,614	\$3,415,579,954	\$1,181	
Repair and maintenance	811	166	924	\$32,428,932	\$675	
Automotive repair and maintenance	8111	111	540 22 4	\$13,718,118	\$489	
Electronic equipment repair and maintenance		23	234	\$13,182,289	\$1,083	
Personal and laundry services Personal care services	812	612 246	5,982	\$162,518,038	\$522 \$648	
	8121 8122	246 24	1,595 208	\$53,773,707	\$648 \$628	
Death care services Drycleaning and laundry services	8122 8123	24 142	208 929	\$6,794,896 \$20,771,213	\$628 \$430	
Other personal services	8125 8129	201	3,250	\$81,178,222	\$450 \$480	
Membership associations and organizations	813	2,642	44,241	\$3,129,248,134	\$1,360	
Religious organizations	8131	125	2,039	\$82,537,640	\$778	
Grantmaking and giving services	8132	317	2,992	\$191,150,565	\$1,229	
Social advocacy organizations	8133	836	10,042	\$590,490,276	\$1,131	
Civic and social organizations	8134	173	3,339	\$145,854,514	\$840	
Professional and similar organizations	8139	1,191	25,829	\$2,118,915,139	\$1,578	
Private households	814	4,246	4,467	\$91,384,850	\$393	
Private households	8141	4,246	4,467	\$91,384,850	\$393	
UNCLASSIFIED ESTABLISHMENTS	99	3,662	6,536	\$368,317,167	\$1,084	

Notes:

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 D.C. 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 hightech 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 hightech 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

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