

Heads Up!

Changes in Industry Classification Imminent

If you know what the letters SIC stand for, read on. And even if you don't know, it can't hurt to learn how the federal government has reclassified industry in North American—not just American—terms. It can dramatically affect your search for industry or company information.

SIC stands for Standard Industrial Classification. Now that acronym is being replaced by a new one—NAICS, which stands for North American Industry Classification System. For anyone who has searched for information or competitive intelligence on companies, sectors, or industries, this coding scheme is crucial to finding that information. Our whole employment-by-industry data structure is dependent on these codes, and in the next couple of years SIC will be entirely replaced by NAICS. This code system has been adopted by Canada, Mexico, and the United States.

This is both good and bad news. It's good because NAICS can code more industries and in a more understandable fashion. New with NAICS are paging, telemarketing, software publishers, HMOs, casinos, pet care, and industrial design. Better still, the Bureaus of Labor, Economic Analysis, and Census will actually provide data for these newly coded industries (beginning sometime in 1999).

The bad part is that there will be significant time series breaks; that is, we won't be able to track certain industries over time. We will begin to see the first published data affected by NAICS coding in early 1999, when the first Economic Census reports come out. Note that for the first time we will see performance indicators for the information industry, which has its own brand new sector code.

NAICS Codes and Sectors

11	Agriculture, forestry, fishing, hunting	54	Professional, scientific and technical services
21	Mining	55	Management of companies
22	Utilities	56	Administrative and support; waste management and remediation services
23	Construction	61	Educational services
31-33	Manufacturing	62	Health care and social assistance
42	Wholesale trade	71	Arts, entertainment and recreation
44-45	Retail trade	72	Accommodation and food services
48-49	Transportation and warehousing	81	Other services
51	Information	92	Public administration
52	Finance and insurance		
53	Real estate and rental and leasing		

Has this left you wanting more detail? Check out the www.census.gov/naics web site devoted to this new coding scheme.

—Carol O. Rogers
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