

North American Industry Classification System – NAICS 2017 Revision

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QCEW Data Collection



NAICS 2017

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Background

- Developed in cooperation with our NAFTA partners, Canada and Mexico
- Economic Classification Policy Committee (ECPC) represents U.S. with members from BEA, BLS, Census, and OMB



Revision Process

- Regularly maintained, with revisions every 5 years:
 - ▶ 2002, 2007, 2012, 2017, 2022, etc.



Schedule for NAICS 2017 Revision

- May 22, 2014:
 - ▶ 1st Federal Register notice soliciting proposals

- August 8, 2014:
 - ▶ Factoryless Goods Producer recommendation for 2017 implementation was rescinded. Further research is ongoing.

- August 4, 2015:
 - ▶ 2nd Federal Register notice containing ECPC recommendations to OMB

- August 8, 2016:
 - ▶ 3rd and Final Federal Register notice



Schedule for NAICS 2017 Revision

- BLS WebNAICS Search Tool is available on the BLS website with 2017 NAICS

http://www.bls.gov/cew/bls_naics/bls_naics_app.htm

- ETA UIPL: Changes to the North American Industrial Classification System (NAICS) Codes for Calendar Year 2017 (issued on November 17, 2016)

https://wdr.doleta.gov/directives/attach/UIPL/UIPL_02-17.pdf

Scope of 2017 Revision

- Twenty-eight (28) 2012 6-digit industries affected
 - ▶ 4 2012 industries split into 7 new 2017 industries
 - ▶ 3 2012 industries redefined or combined into new or redefined 2017 industries
 - ▶ 8 2012 industries renumbered (no changes in title, definition, or composition)
 - ▶ 13 2012 industries consolidated into 5 2017 industries

BLS 2017 NAICS Structure

<u>Sector</u>	<u>Title</u>	<u>Number of 6-digit Industries</u>
11	Agriculture, Forestry, Fishing, and Hunting	63
21	Mining, Quarrying, and Oil and Gas Extraction	28
22	Utilities	14
23	Construction	50
31-33	Manufacturing	360
42	Wholesale Trade	71
44-45	Retail Trade	66
48-49	Transportation and Warehousing	57
51	Information	31
52	Finance and Insurance	41
53	Real Estate and Rental and Leasing	24
54	Professional, Scientific, and Technical Services	48
55	Management of Companies and Enterprises	3
56	Administrative and Support and Waste Management and Remediation	44
61	Educational Services	17
62	Health Care and Social Assistance	39
71	Arts, Entertainment, and Recreation	25
72	Accommodation and Food Services	15
81	Other Services (except Public Administration)	49
92	Public Administration	29
	Total	1,074



Major NAICS 2017 Changes

- Removed Factoryless Goods Producers implementation
- Clarification of:
 - ▶ Oil and gas production
 - ▶ R&D in nanotechnology
 - ▶ Department stores with significant perishable grocery sales
- Title changes

NAICS 2017 Changes



Types of Changes

Direct NAICS Changes

A direct change means a change in numbering only. All establishments in 2012 NAICS industry A will transfer directly into the new 2017 NAICS industry B.

Consolidated NAICS Changes (Perfect and Imperfect)

A consolidated change means that a number of 2012 NAICS codes are being or combined into a new NAICS 2017 code. All establishments in 2012 NAICS industries A, B, and C will be combined into the new 2017 NAICS industry D.

Split NAICS Changes

A split NAICS change means that a 2012 NAICS code is being split into finer detail. All establishments in 2012 NAICS industry A transfer into either 2017 NAICS industry B or C, depending on the economic activity of the establishment.



NAICS 2017 - Direct Changes

2012 NAICS	2012 NAICS description	2017 NAICS	2017 NAICS description	Establishments
452990	All Other General Merchandise Stores	452319	All Other General Merchandise Stores	39,786
517110	Wired Telecommunications Carriers	517311	Wired Telecommunications Carriers	19,981
517210	Wireless Telecommunications Carriers (except Satellite)	517312	Wireless Telecommunications Carriers (except Satellite)	8,080
532220	Formal Wear and Costume Rental	532281	Formal Wear and Costume Rental	1,116
532230	Video Tape and Disc Rental	532282	Video Tape and Disc Rental	2,483
532291	Home Health Equipment Rental	532283	Home Health Equipment Rental	3,333
532292	Recreational Goods Rental	532284	Recreational Goods Rental	2,317
532299	All Other Consumer Goods Rental	532289	All Other Consumer Goods Rental	6,962
			Directs NAICS 2017	84,058



Types of Changes

Direct NAICS Changes

A direct change means a change in numbering only. All establishments in 2012 NAICS industry A will transfer directly into the new 2017 NAICS industry B.

Consolidated NAICS Changes (Perfect and Imperfect)

A consolidated change means that two or more 2012 NAICS codes are being combined into a new NAICS 2017 code. All establishments in 2012 NAICS industries A, B, and C will be combined into the new 2017 NAICS industry D.

Split NAICS Changes

A split NAICS change means that a 2012 NAICS code is being split into finer detail. All establishments in 2012 NAICS industry A transfer into either 2017 NAICS industry B or C, depending on the economic activity of the establishment.



NAICS 2017 – Perfect Consolidations

2012 NAICS	2012 NAICS description	2017 NAICS	2017 NAICS description	EST
454111	Electronic Shopping	454110	Electronic Shopping and Mail-Order Houses.	18,804
454112	Electronic Auctions			748
454113	Mail-Order Houses			4,054
512210	Record Production	512250	Record Production and Distribution.	520
512220	Integrated Record Production/Distribution			379
335221	Household Cooking Appliance Manufacturing	335220	Major Household Appliance Manufacturing.	135
335222	Household Refrigerator and Home Freezer Manufacturing			44
335224	Household Laundry Equipment Manufacturing			19
335228	Other Major Household Appliance Manufacturing			49
212231	Lead Ore and Zinc Ore Mining	212230	Copper, Nickel, Lead, and Zinc Mining.	15
212234	Copper Ore and Nickel Ore Mining			53
333911	Pump and Pumping Equipment Manufacturing	333914	Measuring, Dispensing, and Other Pumping Equipment Manufacturing.	772
333913	Measuring and Dispensing Pump Manufacturing			46
			Consolidated NAICS 2017	25,638

NAICS 2017 – Imperfect Consolidations

2012 NAICS	2012 NAICS description	PT	2017 NAICS	2017 NAICS description	EST
211112	Natural Gas Liquid Extraction		211130	Natural Gas Extraction	305
211111	Crude Petroleum and Natural Gas Extraction*	pt.			unknown
452111	Department Stores (except Discount Department Stores)		452210	Department Stores	4,807
452112	Discount Department Stores*	pt.			unknown
452910	Warehouse Clubs and Supercenters		452311	Warehouse Clubs and Supercenters	5,986
452112	Discount Department Stores*	pt.			unknown
				Non Perfect Direct Changes NAICS 2017	11,098

pt= the units in the 2012 code comprise just part of the total in the new 2017 code.

For example, NAICS 2017 211130 Natural Gas Extraction will be comprised of all of NAICS 2012 211112 Natural Gas Liquid Extraction, and a portion of 211111 Crude Petroleum and Natural Gas Extraction. The remaining portion of 211111 will transfer to a new code 211120 Crude Petroleum Extraction .



Types of Changes

Direct NAICS Changes

A direct change means a change in numbering only. All establishments in 2012 NAICS industry A will transfer directly into the new 2017 NAICS industry B.

Consolidated NAICS Changes (Perfect and Imperfect)

A consolidated change means that two or more 2012 NAICS codes are being combined into a new NAICS 2017 code. All establishments in 2012 NAICS industries A, B, and C will be combined into the new 2017 NAICS industry D.

Split NAICS Changes

A split NAICS change means that a 2012 NAICS code is being split into finer detail. All establishments in 2012 NAICS industry A transfer into either 2017 NAICS industry B or C, depending on the economic activity of the establishment.



NAICS 2017 – Split Industries

2012 NAICS	2012 NAICS description	P T	2017 NAICS	2017 NAICS description	EST
211111	Crude Petroleum and Natural Gas Extraction				9,305
	<i>crude petroleum extraction</i>		211120	Crude Petroleum Extraction.	
	<i>natural gas extraction</i>	pt.	211130	Natural Gas Extraction.	
452112	Discount Department Stores				10,567
	<i>insignificant perishable grocery sales</i>	pt.	452210	Department Stores.	
	<i>significant perishable grocery sales</i>	pt.	452311	Warehouse Clubs and Supercenters.	
541711	Research and Development in Biotechnology				7,526
	<i>nanobiotechnologies research and experimental development laboratories</i>	pt.	541713	Research and Development in Nanotechnology.	
	<i>except nanobiotechnologies research and experimental development laboratories</i>		541714	Research and Development in Biotechnology (except Nanobiotechnology).	
541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)				15,872
	<i>nanotechnology research and experimental development laboratories</i>	pt.	541713	Research and Development in Nanotechnology.	
	<i>except nanotechnology research and experimental development laboratories</i>		541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology).	
				Splits NAICS 2017	43,270

pt= the units in the 2012 code comprise just part of the total in the new 2017 code.



NAICS 2012: Crude Petroleum and Natural Gas

211111 Crude Petroleum and Natural Gas Extraction

- This industry comprises establishments primarily engaged in (1) the exploration, development and/or the production of petroleum or natural gas from wells in which the hydrocarbons will initially flow or can be produced using normal pumping techniques or (2) the production of crude petroleum from surface shales or tar sands or from reservoirs in which the hydrocarbons are semisolids. Establishments in this industry operate oil and gas wells on their own account or for others on a contract or fee basis.
- This industry is being revised to distinguish between crude petroleum extraction and natural gas extraction.

NAICS 2017: Crude Petroleum and Natural Gas

211120 Crude Petroleum Extraction

This industry comprises establishments primarily engaged in (1) the exploration, development and/or the production of petroleum from wells in which the hydrocarbons will initially flow or can be produced using normal or enhanced drilling and extraction techniques or (2) the production of crude petroleum from surface shales or tar sands or from reservoirs in which the hydrocarbons are semisolids. Establishments in this industry operate oil wells on their own account or for others on a contract or fee basis.

211130 Natural Gas Extraction

This industry comprises establishments primarily engaged in (1) the exploration, development and/or the production of natural gas from wells in which the hydrocarbons will initially flow or can be produced using normal or enhanced drilling and extraction techniques or (2) the recovery of liquid hydrocarbons from oil and gas field gases. Establishments primarily engaged in sulfur recovery from natural gas are included in this industry.



NAICS 2012: Discount Department Stores

452112 Discount Department Stores

- This industry comprises establishments known as department stores that have central customer checkout areas, generally in the front of the store, and that may have additional cash registers located in one or more individual departments. Department stores in this industry sell a wide range of general merchandise (except fresh, perishable foods).
- **This industry is being revised to distinguish between stores with or without significant perishable grocery sales.**

NAICS 2017: Department Stores vs. Warehouse Clubs and Supercenters

452210 Department Stores

*no significant grocery sales

This industry comprises establishments known as department stores that have separate departments for general lines of new merchandise, such as apparel, jewelry, home furnishings, and toys, with no one merchandise line predominating. Department stores may sell perishable groceries, such as fresh fruits, vegetables, and dairy products, but such sales are insignificant. Department stores may have separate customer checkout areas in each department, central customer checkout areas, or both.

452311 Warehouse Clubs & Supercenters

*significant grocery sales

This U.S. industry comprises establishments known as warehouse clubs, superstores, or supercenters, primarily engaged in retailing a general line of groceries, including a significant amount and variety of fresh fruits, vegetables, dairy products, meats, and other perishable groceries, in combination with a general line of new merchandise, such as apparel, furniture, and appliances.



NAICS 2012: Research and Development

541711 Research and Development in Biotechnology

This industry comprises establishments primarily engaged in conducting biotechnology research and experimental development. Biotechnology research and experimental development involves the study of the use of microorganisms and cellular and biomolecular processes to develop or alter living or non-living materials. This research and development in biotechnology may result in development of new biotechnology processes or in prototypes of new or genetically-altered products that may be reproduced, utilized, or implemented by various industries.

541712 Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)

This industry comprises establishments primarily engaged in conducting research and experimental development (except biotechnology research and experimental development) in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary and other allied subjects.

NAICS 2017: Nanotechnologies

- **Revision will distinguish between laboratories with or without nanotechnologies/nanobiotechnologies.**
- Nanotechnology ("nanotech") deals with science, engineering, and technology at the nanoscale, which is about 1 to 100 nanometers.
- Nanoscience is the study and application of extremely small things and can be used across all the other science fields, such as chemistry, biology, physics, materials science, and engineering.
- For more information about nanotechnology visit:
<http://www.nano.gov/nanotech-101/what/definition>

NAICS 2017: New Code for Nanotechnology

541713 **Research and Development in Nanotechnology**

This U.S. industry comprises establishments primarily engaged in conducting nanotechnology research and experimental development. Nanotechnology research and experimental development involves the study of matter at the nanoscale (i.e., a scale of about 1 to 100 nanometers). This research and development in nanotechnology may result in development of new nanotechnology processes or in prototypes of new or altered materials and/or products that may be reproduced, utilized, or implemented by various industries.

NAICS 2017: Research and Development

541714 Research and Development in Biotechnology (except Nanobiotechnology)

This U.S. industry comprises establishments primarily engaged in conducting biotechnology (except nanobiotechnology) research and experimental development. Biotechnology (except nanobiotechnology) research and experimental development involves the study of the use of microorganisms and cellular and biomolecular processes to develop or alter living or non-living materials. This research and development in biotechnology (except nanobiotechnology) may result in development of new biotechnology (except nanobiotechnology) processes or in prototypes of new or genetically-altered products that may be reproduced, utilized, or implemented by various industries.

541715 Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)

This U.S. industry comprises establishments primarily engaged in conducting research and experimental development (except nanotechnology and biotechnology research and experimental development) in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary and other allied subjects.



QCEW Implementation



QCEW Implementation Plan

- Data for 2017/Q1 will be on a NAICS 2017 basis
- QCEW will publish data under NAICS 2017 in September 2017
 - ▶ 2017/1 Data Due: July 13, 2017
 - ▶ Publish Date: September 6, 2017
- The old NAICS 2012 codes will be populated, with the exception of births which will not be dual coded.
 - ▶ States are not required to dual code 2017/1 births, however some may choose to do so.

NAICS 2017 Publication

- For the NAICS 2017 revision, QCEW will consider NAICS changes from the NAICS 2017 revision as non-economic code changes (NECCs).
 - ▶ **NECC**: change in a reporting unit's industry, area, or ownership classification code that is **not the result from an actual conversion** or re-location of the unit from one industry, area, or ownership type to another.
 - ▶ **CCS files** are generated to document all NECC changes to industry, area, and ownership classification codes that will be made effective with the first quarter data. These are **used to measure the impact** of classification changes on QCEW macro data tabulations.

- QCEW will treat NAICS 2017 changes as they would any set of NECCs.



WebNAICS for 2017



WebNAICS

- http://www.bls.gov/cew/bls_naics/bls_naics_app.htm
 - ▶ BLS developed a new NAICS search tool to replace AutoNAICS.
 - ▶ Hosted on the BLS public website
 - ▶ Both NAICS 2012 and 2017 codes are available. Application will default to NAICS 2017 beginning Jan 1, 2017.

WebNAICS

Search

Hierarchy

NAICS Transition

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Help

BLS NAICS 2017 Search

Version 2017 Type a keyword or code to search. Use quotes for whole words.

2017

restaurant

Search

Search: Indexes Titles Descriptions All

Select a result below for NAICS full title, code, and description

Filter: Only 6-digit NAICS

Sort: Codes 0-9

722511	Full-service restaurants
722513	Limited-service restaurants

Full-Service Restaurants: 722511

Description

This U.S. industry comprises establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. These establishments may provide this type of food service to patrons in combination with selling alcoholic beverages, providing carryout services, or presenting live nontheatrical entertainment.

Cross-Reference

Establishments primarily engaged in

- 1) Providing food services where patrons generally order or select items and pay before eating--are classified in U.S. Industry [722513](#), Limited-Service Restaurants;
- 2) Selling a specialty snack or nonalcoholic beverage for consumption on or near the premises--are classified in U.S. Industry [722515](#), Snack and Nonalcoholic Beverage Bars;
- 3) Preparing and serving alcoholic beverages and known as bars, taverns, or nightclubs--are classified in Industry [722410](#), Drinking Places (Alcoholic Beverages); and
- 4) Presenting live theatrical productions and providing food and beverages for consumption on the premises-- are classified in Industry [711110](#), Theater Companies and Dinner Theaters.

Indexes

- 1) Bagel shops, full service
- 2) Diners, full service
- 3) Doughnut shops, full service
- 4) Family restaurants, full service
- 5) Fine dining restaurants, full service
- 6) Full service restaurants

New Index Items



NAICS 2017 – New Index Items

- Index items are provided for each NAICS code. They are usually bulleted items of examples that are associated with the classification.
- For NAICS 2017, there were **1,154** new index items added.
 - ▶ Many of these new items are very minor.

Questions for DUAC



Questions for DUAC

- How can BLS ease the NAICS transition for users?



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