North American Industry Classification System – NAICS 2017 Revision

November 9, 2017

Sania Khan
Economist
QCEW Data Collection
NAICS 2017

- Background
- Revision Process and Schedule
- Federal Register Notices
- Scope of the 2017 Revision
- QCEW Implementation
- Changes
- New Index Items
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:
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  - Factoryless Goods Producer recommendation for 2017 implementation was rescinded.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

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

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

**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

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

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

<table>
<thead>
<tr>
<th>2012 NAICS</th>
<th>2012 NAICS description</th>
<th>PT</th>
<th>2017 NAICS</th>
<th>2017 NAICS description</th>
<th>EST</th>
</tr>
</thead>
<tbody>
<tr>
<td>211112</td>
<td>Natural Gas Liquid Extraction</td>
<td></td>
<td>211130</td>
<td>Natural Gas Extraction</td>
<td>305</td>
</tr>
<tr>
<td>211111</td>
<td>Crude Petroleum and Natural Gas Extraction*</td>
<td>pt.</td>
<td>211111</td>
<td>Crude Petroleum Extraction</td>
<td>unknown</td>
</tr>
</tbody>
</table>

| 452111     | Department Stores (except Discount Department Stores) |    | 452210     | Department Stores       | 4,807 |
| 452112     | Discount Department Stores*                          | pt.| 452112     | Discount Department Stores | unknown |

| 452910     | Warehouse Clubs and Supercenters                    |    | 452311     | Warehouse Clubs and Supercenters | 5,986 |
| 452112     | Discount Department Stores*                          | pt.| 452112     | Discount Department Stores*     | 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
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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

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

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

  - 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

BLS NAICS 2017 Search

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

Search: Indexes Titles Descriptions All

Search

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?
Contact Information

Sania Khan
Economist
QCEW Data Collection
202-691-6421
Khan.Sania@bls.gov