A first look at employment and wages using NAICS

With the release of the North American Industry Classification System data, a new view is introduced, one which better reveals the inner workings of the U.S. economy

David R. H. Hiles

In the fall of 2002, the Bureau of Labor Statistics will release industry employment, wages, and establishment count data for 2001 based on the North American Industry Classification System (NAICS) structure. This article presents the first glimpse of the data. By previewing these data, users can begin to acquaint themselves with the new structure. The data presented in this article are based on preliminary private sector U.S. totals for the first quarter of 2001. This, the first BLS data based on NAICS, comes from the Covered Employment and Wages or CEW/ES-202 program.¹

cew background

Every business and government establishment in the United States, Puerto Rico, and the U.S. Virgin Islands, with employees covered by unemployment insurance programs, files quarterly unemployment tax reports. CEW data are derived from these reports. In the first quarter of 2001, these reports accounted for more than \$1.2 trillion in wages, of which more than \$1 trillion was paid to private sector employees. Data are produced on monthly employment, quarterly wages, and quarterly counts of establishments. State Employment Security Agencies (SESAS) and BLS work cooperatively to conduct the CEW program.²

Throughout the past several years, the SESAS have spent many hours converting approximately 8 million CEW reports to NAICS. Their hard work is in evidence, as the conversion process is nearly complete, with more than 97 percent of the reports now converted. These cover greater than 99 percent of private sector employment, with most of the remainder consisting of new reports with fewer than five employees, which have not been in the system long enough to be assigned detailed industry codes.

Users interested in more information about NAICS can access the NAICS page on the BLS website at http://www.bls.gov/bls/ naics.htm or the Bureau of the Census website at http://www.census.gov/epcd/ www/naics.html. In 2002, BLS will provide ratio tables that can be used to convert historic SIC series to a NAICS basis at http:// www.bls.gov/cewhome.htm. In 2002, the NAICS 2002 Manual will be available from the National Technical Information Service (NTIS) and the Government Printing Office (GPO). In the meantime, the NAICS 1997 Manual is available from GPO to supplement the information on the Census website referenced above.

David R. H. Hiles is Chief of Current Data Analysis for the Covered Employment and Wages Program, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics. E-mail: hiles d@bls.gov The timing of CEW data release is determined by each State's data collection flows and by the completion of BLS review and correction activities. The CEW data flow begins when employers file quarterly unemployment insurance tax reports. At the end of each calendar quarter, every employer submits these reports to the SESAS, which edit and correct the quarterly data and submit it to BLS, where it undergoes final review. Each fall, BLS releases CEW monthly, quarterly, and annual data for the preceding year. Most States release CEW data on their own behalf.

Although other sources of industry employment data do exist at the national and State levels, CEW provides detailed data at the county and metropolitan area level. CEW also offers much more detailed information at the State level than is available from more timely, sample-based programs such as the Current Population Survey or the Current Employment Statistics program.

NAICS basics

Since 1988, the detailed CEW information has been broken into detailed industries according to the system set forth in the 1987 version of the *Standard Industrial Classification* (*SIC*) *Manual*. Data prior to 1988 were tabulated according to the 1972 version of the *SIC Manual*. Beginning with the release of data for 2001, CEW publication will switch to the 2002 version of NAICS as the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of the statistical agencies of the United States, Canada, and Mexico.

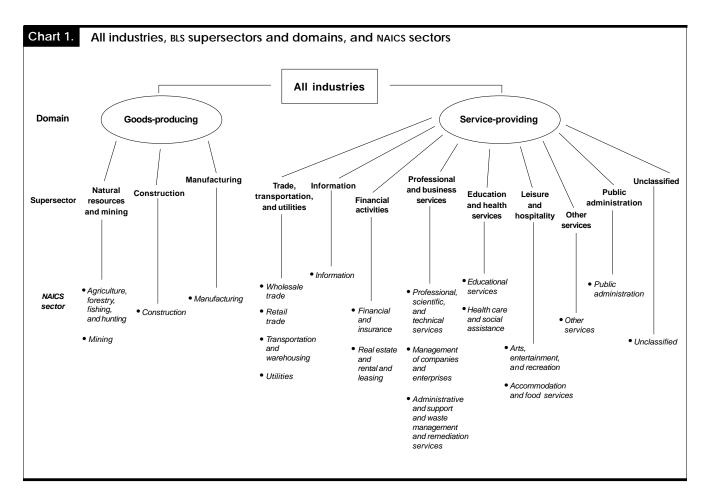
NAICS and SIC differ in their design structures; therefore, data for 2001 will not be comparable to the SIC-based data for earlier years. The data presented below illustrate a few examples of the differences between NAICS and SIC structures. NAICS uses a production-oriented approach to categorize economic units. Units with similar production processes are classified in the same industry. Thus, NAICS focuses on how products and services are created, as opposed to the SIC focus on what is produced. This approach yields significantly different industry groupings than those produced by the SIC approach. The NAICS development process was not an update of the SIC system; rather, from a fresh starting point, its developers could establish new categories reflecting the structure of the modern economy. Data users will be able to work with new NAICS industrial groupings, which better reflect the workings of the U.S. economy, and will be able to track specific industries and analyze the effects of changes in industrial production processes.

New top-level aggregates

In addition to the new groups, or sectors, created by the *NAICS Manual*, BLS and its NAICS partner agencies have further assembled NAICS sectors, extending the sector structure upwards. These extensions aggregate the individual NAICS sectors into *supersectors*, and above this *supersector* level are two more aggregations, the commonly used domains known as *goods-producing* and *service-providing*. (See table 1 and chart 1.)

Supersectors are similar in concept to the SIC divisions

In division	Establis	hments	Employ	Average	
Industry	Total	Percent	Total	Percent	weekly wages
Total	7,717,283	100.0	109,097,869	100.0	\$720
Goods-producing	1,296,599	16.8	24,845,986	22.8	801
Natural resources and mining	128,211	1.7	1,563,979	1.4	674
Construction	768,194	10.0	6,470,814	5.9	709
Manufacturing	400,194	5.2	16,811,193	15.4	847
Service-providing	6,420,684	83.2	84,251,883	77.2	697
Trade, transportation and utilities	1,843,748	23.9	25,535,474	23.4	614
Information	151,189	2.0	3,693,343	3.4	1,173
Financial activities	717,233	9.3	7,621,452	7.0	1,348
Professional and business services	1,240,585	16.1	16,494,914	15.1	852
Education and health services	680,358	8.8	14,707,876	13.5	594
Leisure and hospitality	628,785	8.1	11,583,950	10.6	294
Other services	955,181	12.4	4,176,767	3.8	439
Unclassified	203,605	2.6	438,107	.4	741



seen in table 2. Domains and supersectors can also be used when sufficient data do not exist to publish at the sector level. Several of the supersectors such as *construction*, *manufacturing*, *financial services*, *public administration*, and *unclassified* are similar to SIC industry divisions. But others are wholly new and provide fresh territory for analysis. Many of these new groups consist of splinters of the old SIC *Services* division.

Within the *goods-producing* domain, *natural resources* and mining is the only new supersector, and it is the smallest supersector in the economy as measured by employment. It brings together extractive industries, those that derive their value by extracting resources from the environment. By joining two industries—agriculture and mining—it brings together some of the lowest and highest paying industries.

The *service-providing* domain is far larger than *goods-producing* in the U.S. economy, as is also the case with other developed countries. *Trade, transportation, and utilities* is by far the largest supersector, with more than 23 percent of private industry employment. It combines sectors that move goods and services from the manufacturer to the customer.

Information, discussed in greater detail below, is one of the six sectors that is also a supersector. At the supersector level, *Information's* average weekly wage of \$1,173 is surpassed only by the \$1,348 earned in financial services. Information's high wages come from its concentration of employment in new Internet-related industries added to a large base of highly paid employees in the more traditional telecommunications and publishing industries. Professional and business services is similar to the old services SIC division in that it is a combination of several very different economic groups, with each expected to exhibit different behaviors in the business cycle. Education and health services brings together relatively low-paid but fast-growing industries. The industries in this group are particularly sensitive to changes in government spending. Leisure and hospitality is a tourism-related group that users have wanted for years. The number of workers in this group is large, and often seasonally volatile. With this new category—the product of two formerly separate groups—the number of workers can be easily and quickly ascertained for any location in the country. Other services combines industries that could not be gathered in elsewhere.

	ble 2. sic industry establishment and employment distribution, private ownership, first quarter (March)					
Establis	hments	Emplo	Average weekly			
Total	Percent	Total	Percent	wages		
7,717,559	100.0	109,092,587	100.0	\$720		
204,851 27,060 748,613 410,912 325,356 650,040 1,471,361 691,174 2,984,643 203,549	2.7 .4 9.7 5.3 4.2 8.4 19.1 9.0 38.7 2.6	1,714,176 549,375 6,357,030 18,030,796 6,854,424 6,781,007 23,082,816 7,521,051 37,768,488 433,424	1.6 .5 5.8 16.5 6.3 6.2 21.2 6.9 34.6	392 1,255 703 887 892 932 362 1,430 658 739		
	7,717,559 204,851 27,060 748,613 410,912 325,356 650,040 1,471,361 691,174 2,984,643	7,717,559 100.0 204,851 2.7 27,060 .4 748,613 9.7 410,912 5.3 325,356 4.2 650,040 8.4 1,471,361 19.1 691,174 9.0 2,984,643 38.7	Total Percent Total 7,717,559 100.0 109,092,587 204,851 2.7 1,714,176 27,060 .4 549,375 748,613 9.7 6,357,030 410,912 5.3 18,030,796 325,356 4.2 6,854,424 650,040 8.4 6,781,007 1,471,361 19.1 23,082,816 691,174 9.0 7,521,051 2,984,643 38.7 37,768,488	Total Percent Total Percent 7,717,559 100.0 109,092,587 100.0 204,851 2.7 1,714,176 1.6 27,060 .4 549,375 .5 748,613 9.7 6,357,030 5.8 410,912 5.3 18,030,796 16.5 325,356 4.2 6,854,424 6.3 650,040 8.4 6,781,007 6.2 1,471,361 19.1 23,082,816 21.2 691,174 9.0 7,521,051 6.9 2,984,643 38.7 37,768,488 34.6		

While it is a small sector, when measured by share of employees (3.8 percent), it is one of the largest when measured by the number of establishments. Its 12.4 percent share of the establishment count is due to the inclusion of *private house-holds* employment in this group.

New sectors

One of the most interesting new industry sectors is called *Information*. This group brings together industries that:

- transform information into a commodity,
- distribute the commodity, and
- provide information services.

Information's major components are publishing, motion pictures and sound recording, broadcasting, telecommunications, information services, and data processing. Under the SIC system, these units were spread across the manufacturing, communications, business services, and amusement services groups. Another new sector of interest is management of companies and enterprises. This sector is comprised of establishments engaged in managing the activities of other corporate units.

The *information* sector brings together industries that were credited for much of the extraordinary growth seen in the U.S. economy during the late 1990s. With fewer than 4 million employees, it is a group of average size, less than a fourth of the size of the largest NAICS sector, *manufacturing*. (See table 3.) This sector includes most of the separately categorized Internet-related industries. Many of these industries did not exist when the last version of the *SIC Manual* was released in 1987. Examples are *Internet publishing and*

broadcasting (1.3 million employees) and ISPs, search portals, and data processing (0.5 million employees).

Management of companies and enterprises is a new, small sector (1.8 million employees) that should be of great analytical interest. This sector is composed of corporate and regional headquarters offices and holding companies. In a hypothetical example, under the SIC system, an establishment such as the headquarters of a multinational corporation with many activities, but with primary interests concentrated in the auto industry, was placed in the automobile manufacturing industry. Under NAICS, this location moves out of manufacturing and into the management sector. For the first time, analysts will be able to track what happens to headquarters employment and wages throughout the business cycle. Moreover, because CEW data is available for every State, users will be able to see which States are gaining and losing employment in this sector, as well as for other sectors of interest.

Other notable sectors

Under NAICS, the *mining* sector continues, with 25,542 employees, as the smallest employment group, the same as under the SIC structure. The *utilities* sector has the smallest number of establishments (15,895) while receiving the third highest sectoral average weekly wage (\$1,453). With more than 16.8 million workers, *manufacturing* is the largest sector by employment. It has more subsectors than any other group.

Within the *service-providing* domain, retail trade is notable because of its size, both in terms of establishments and employment. At 1,048,112, it has the largest number of establishments. With 15,014,624 employees, it is second only to *manufacturing* in employment, and is expected to eventually

Total Percent Total Percent Weg Total Door 1,040,942 100.0 38 Total Percent Total Percent Total Percent Total Total Percent Weg	NAICS	Industry	Establis	hments	Emplo	Average	
1	code		Total	Percent	Total	Percent	weekly wages
11		Total	7,717,283	100.0	109,097,869	100.0	\$720
11	1	Agriculture, forestry, fishing and hunting	102,669	100.0	1,040,942	100.0	380
20,488 20,1 196,362 19,9 42,11 13.6 196,362 19,9 42,11 13.6 196,362 19,9 42,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 13.6 196,362 10,0 61,11 196,362	11	Crop production		46.4	486,619	46.7	358
Fishing, hunting and trapping	112	Animal production	20,648	20.1	196,362	18.9	428
Mining	113	Forestry and logging	14,011	13.6	74,550	7.2	519
Mining	114		3,060	3.0	10,632	1.0	619
111 Oil and gas extraction	115	Agriculture and forestry support activities	17,262	16.8	272,779	26.2	336
Mining, except oil and gas. 8,128 31,8 213,656 40,8 94	21	Mining	25,542	100.0	523,037	100.0	1,247
13 Support activities for mining 9,132 35.8 187,303 35.8 1,02	211	Oil and gas extraction	8,282	32.4	122,078	23.3	2,118
15,895 100.0 596,183 100.0 1,45	212	Mining, except oil and gas	8,128	31.8	213,656	40.8	941
Construction	213	Support activities for mining	9,132	35.8	187,303	35.8	1,024
Construction	22	Utilities	15,895	100.0	596,183	100.0	1,453
Construction of buildings	221						1,453
Construction of buildings	23	Construction	768.194	100.0	6.470.814	100.0	709
Heavy and civil engineering construction	236				-,,		770
Manufacturing	237						785
Food manufacturing	238				· ·		670
Food manufacturing	31–33	Manufacturing	400 194	100.0	16 811 193	100.0	847
Beverage and tobacco product manufacturing	311		,		, ,		612
Textile mills	312						933
Textile product mills	313		,				566
Apparel manufacturing	314						496
Leather and allied product manufacturing	315		15,744	3.9		2.7	429
Wood product manufacturing	316		1,775	.4		.4	553
Printing and related support activities	321	Wood product manufacturing	19,271	4.8	570,881	3.4	551
Petroleum and coal products manufacturing	322	Paper manufacturing	7,001	1.7	586,062	3.5	908
15,889 4.0 968,427 5.8 1,26	323	Printing and related support activities	43,217	10.8	787,859	4.7	699
Plastics and rubber products manufacturing	324	Petroleum and coal products manufacturing	2,638	.7	117,718	.7	1,382
Nonmetallic mineral product manufacturing 18,061 4.5 541,816 3.2 73	325	Chemical manufacturing	15,889	4.0	968,427		1,262
Primary metal manufacturing	326		16,127		917,214		673
Fabricated metal product manufacturing 63,993 16.0 1,726,281 10.3 71, 33 Machinery manufacturing 36,038 9.0 1,418,361 8.4 88 83 635 636,035 636,	327	Nonmetallic mineral product manufacturing	18,061	4.5	541,816	3.2	737
Machinery manufacturing	331		,	-			881
Computer and electronic product manufacturing 22,495 5.6 1,849,461 11.0 1,32	332				, -, -		710
Electrical equipment and appliance mfg. 7,956 2.0 577,717 3.4 81	333		,		1 ' '		884
Transportation equipment manufacturing			,			-	1,324
Furniture and related product manufacturing	335				,		811
Miscellaneous manufacturing 33,181 8.3 721,054 4.3 73	336						1,002
Wholesale trade	337 339		,				551 739
223 Merchant wholesalers, durable goods 272,629 47.8 3,157,396 54.7 98. 124 Merchant wholesalers, nondurable goods 145,021 25.4 2,011,629 34.9 85 125 Electronic markets and agents and brokers 152,521 26.8 601,916 10.4 1,13 4-45 Retail trade 1,048,112 100.0 15,014,624 100.0 42 41 Motor vehicle and parts dealers 118,077 11.3 1,834,796 12.2 65 42 Furniture and home furnishings stores 58,979 5.6 541,036 3.6 51 43 Electronics and appliance stores 57,719 5.5 566,900 3.8 71 44 Building material and garden supply stores 78,577 7.5 1,116,438 7.4 51 45 Food and beverage stores 138,856 13.2 2,927,712 19.5 35 46 Health and personal care stores 76,835 7.3 943,577 6.3 47 <td></td> <td>Ğ</td> <td></td> <td></td> <td></td> <td></td> <td></td>		Ğ					
Merchant wholesalers, nondurable goods 145,021 25.4 2,011,629 34.9 85	42						956
Electronic markets and agents and brokers	-						
A-45 Retail trade	424 425						1,133
41 Motor vehicle and parts dealers 118,077 11.3 1,834,796 12.2 65 42 Furniture and home furnishings stores 58,979 5.6 541,036 3.6 51 43 Electronics and appliance stores 57,719 5.5 566,900 3.8 71 44 Building material and garden supply stores 78,577 7.5 1,116,438 7.4 51 45 Food and beverage stores 138,856 13.2 2,927,712 19.5 35 46 Health and personal care stores 76,835 7.3 943,577 6.3 47 47 Gasoline stations 108,316 10.3 914,840 6.1 29 48 Clothing and clothing accessories stores 130,647 12.5 1,291,072 8.6 33 51 Sporting goods, hobby, book and music stores 66,594 6.4 666,464 4.4 31 52 General merchandise stores 41,739 4.0 2,745,125 18.3 33 53 Miscellaneous store retailers 138,680 13.2 983,228 6	44 45	Petalltrade	1 040 440	100.0	45.044.004	100.0	400
42 Furniture and home furnishings stores 58,979 5.6 541,036 3.6 51 43 Electronics and appliance stores 57,719 5.5 566,900 3.8 71 44 Building material and garden supply stores 78,577 7.5 1,116,438 7.4 51 45 Food and beverage stores 138,856 13.2 2,927,712 19.5 35 46 Health and personal care stores 76,835 7.3 943,577 6.3 47 47 Gasoline stations 108,316 10.3 914,840 6.1 29 48 Clothing and clothing accessories stores 130,647 12.5 1,291,072 8.6 33 51 Sporting goods, hobby, book and music stores 66,594 6.4 666,464 4.4 31 52 General merchandise stores 41,739 4.0 2,745,125 18.3 33 53 Miscellaneous store retailers 138,680 13.2 983,228 6.5 37	- 1						428 657
Electronics and appliance stores 57,719 5.5 566,900 3.8 71,	442						513
444 Building material and garden supply stores 78,577 7.5 1,116,438 7.4 51 445 Food and beverage stores 138,856 13.2 2,927,712 19.5 35 46 Health and personal care stores 76,835 7.3 943,577 6.3 47 47 Gasoline stations 108,316 10.3 914,840 6.1 29 48 Clothing and clothing accessories stores 130,647 12.5 1,291,072 8.6 33 451 Sporting goods, hobby, book and music stores 66,594 6.4 666,464 4.4 31 452 General merchandise stores 41,739 4.0 2,745,125 18.3 33 453 Miscellaneous store retailers 138,680 13.2 983,228 6.5 37	443						718
445 Food and beverage stores 138,856 13.2 2,927,712 19.5 35 446 Health and personal care stores 76,835 7.3 943,577 6.3 47 447 Gasoline stations 108,316 10.3 914,840 6.1 29 48 Clothing and clothing accessories stores 130,647 12.5 1,291,072 8.6 33 451 Sporting goods, hobby, book and music stores 66,594 6.4 666,464 4.4 31 452 General merchandise stores 41,739 4.0 2,745,125 18.3 33 453 Miscellaneous store retailers 138,680 13.2 983,228 6.5 37	144				,		510
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47 Gasoline stations 108,316 10.3 914,840 6.1 29 48 Clothing and clothing accessories stores 130,647 12.5 1,291,072 8.6 33 51 Sporting goods, hobby, book and music stores 66,594 6.4 666,464 4.4 31 52 General merchandise stores 41,739 4.0 2,745,125 18.3 33 53 Miscellaneous store retailers 138,680 13.2 983,228 6.5 37	- 1						470
148 Clothing and clothing accessories stores 130,647 12.5 1,291,072 8.6 33 151 Sporting goods, hobby, book and music stores 66,594 6.4 666,464 4.4 31 152 General merchandise stores 41,739 4.0 2,745,125 18.3 33 153 Miscellaneous store retailers 138,680 13.2 983,228 6.5 37	147						295
Sporting goods, hobby, book and music stores	148						338
152 General merchandise stores 41,739 4.0 2,745,125 18.3 33. 153 Miscellaneous store retailers 138,680 13.2 983,228 6.5 37.	451				1 ' '		313
138,680 13.2 983,228 6.5 374 138,680 13.2 138,080 138,080 13.2 138,080 13.2 138,080 13.2 138,080 13.2 138,080 13.2 138,080 13	452						334
	453						379
ENG DUDISIDE PERMIES 33 DAS 37 67	454	Nonstore retailers	33,093	3.2	483,436	3.2	624

See footnotes at end of table.

NAICS code	Industry	Establi	shments	Employment		Average
		Total	Percent	Total	Percent	weekly wages
48-49	Transportation and warehousing	209,570	100.0	4,153,726	100.0	693
481	Air transportation	6,041	2.9	626,834	15.1	994
482	Rail transportation ²	49	1	329	1	758
183	Water transportation	1,377	.7	52,903	1.3	1.032
184	Truck transportation	113,909	54.4	1,375,804	33.1	\$639
185	Transit and ground passenger transportation	17,436	8.3	386,273	9.3	378
186	Pipeline transportation	2,697	1.3	45,133	1.1	2,824
87	Scenic and sightseeing transportation	3,004	1.4	26,939	.6	430
188	Support activities for transportation	37,397	17.8	536,701	12.9	697
191	Postal service	417	.2	1,958	1	603
192	Couriers and messengers	14,328	6.8	584,979	14.1	586
93	Warehousing and storage	12,915	6.2	515,873	12.4	620
51	Information	151,189	100.0	3,693,343	100.0	1,173
511	Publishing industries, except Internet	36,642	24.2	1,036,535	28.1	1,180
512	Motion picture and sound recording industries	28,484	18.8	381,095	10.3	964
515	Broadcasting, except Internet	10,300	6.8	346,074	9.4	1,081
516	Internet publishing and broadcasting	3,824	2.5	49,854	1.3	1,465
517	Telecommunications	41,212	27.3	1,320,128	35.7	1,184
518	ISPS, search portals, and data processing	27,374	18.1	514,022	13.9	1,357
519	Other information services	3,353	2.2	45,635	1.2	730
52	Finance and insurance	410,053	100.0	5,615,105	100.0	1,598
21	Monetary authorities - central bank	141	1	22,851	.4	994
522	Credit intermediation and related activities	161,172	39.3	2,566,959	45.7	1,022
523	Securities, commodity contracts, investments	66,717	16.3	839,499	15.0	4,644
524	Insurance carriers and related activities	176,689	43.1	2,098,735	37.4	1,086
525	Funds, trusts, and other financial vehicles	5,334	1.3	87,061	1.6	1,624
53	Real estate and rental and leasing	307,180	100.0	2,006,347	100.0	646
531	Real estate	241,687	78.7	1,311,382	65.4	678
532 533	Rental and leasing services Lessors of nonfinancial intangible assets	62,259 3,234	20.3	666,105 28,860	33.2 1.4	553 1,384
- A	_	046 274	100.0	7,000,050	100.0	1 101
54 541	Professional and technical services Professional and technical services	816,374 816,374	100.0 100.0	7,008,652 7,008,652	100.0 100.0	1,104 1,104
55	Management of companies and enterprises	37,665	100.0	1,768,835	100.0	1,532
551	Management of companies and enterprises	37,665	100.0	1,768,835	100.0	1,532
56	Administrative and waste services	386,546	100.0	7,717,427	100.0	464
561	Administrative and support services	366,865	94.9	7,408,508	96.0	452
562	Waste management and remediation services	19,681	5.1	308,919	4.0	763
61 611	Educational services Educational services	65,040 65,040	100.0 100.0	1,899,764 1,899,764	100.0 100.0	597 597
62	Health care and social assistance	615,318	100.0	12,808,112	100.0	594
521	Ambulatory health care services	435,483	70.8	4,381,953	34.2	735
522	Hospitals	7,037	1.1	3,972,415	31.0	681
523	Nursing and residential care facilities	59,770	9.7	2,627,571	20.5	400
624	Social assistance	113,028	18.4	1,826,173	14.3	343
71	Arts, entertainment, and recreation	103,435	100.0	1,644,035	100.0	491
711	Performing arts and spectator sports	37,198	36.0	353,891	21.5	1,033
712	Museums, historical sites, zoos, and parks	4,522	4.4	107,544	6.5	475
713	Amusements, gambling, and recreation	61,715	59.7	1,182,600	71.9	332
7 2	Accommodation and food services	525,350	100.0	9,939,915	100.0	262
21	Accommodation	59,822	11.4	1,813,217	18.2	404
	Food services and drinking places	465,528	88.6	8,126,698	81.8	230

See footnotes at end of table.

Table 3.	Continued—NAICS industry establishment and private ownership, first quarter (March) 2001		nt distribution	by three-digit	code,	
NAICS	Industry	Establishments		Employment		Average
code		Total	Percent	Total	Percent	weekly wages
81 811 812 813 814	Other services, except public administration	955,181 228,337 174,421 128,126 424,297	100.0 23.9 18.3 13.4 44.4	4,176,767 1,251,957 1,238,638 1,253,908 432,264	100.0 30.0 29.7 30.0 10.3	439 535 359 478 271
99 999	Unclassified	203,605 203,605	100.0 100.0	438,107 438,107	100.0 100.0	741 741

¹ Value too small to display.

under the Railroad Retirement Act and thus are not included in this article.

move into the first spot. *Finance and insurance* is the highest paid sector (\$1,598), slightly ahead of *management of companies and enterprises* (\$1,532). At the other end of the pay scale is *accommodation and food services*. At \$262, it is the lowest at the sector level. It is slightly more than a third of the U.S. average weekly wage for the private sector.

Residential and nonresidential construction. While the supersectors are BLS-specific extensions of the NAICS structure upwards, BLS also has extended the NAICS structure downwards in the specialty trade contractors subsector of construction. In the BLS implementation of NAICS, each base group in specialty trade contractors, for example, masonry contractors or roofing contractors, is further divided, based on whether the establishment's predominant activity is conducted in residential construction or nonresidential construction. While detailed information is not available at this early stage, it is possible to say that in every trade, substantially higher average weekly wages are paid in the nonresidential segment.

Look-alike industries: similar but different. Judging by their titles alone, many NAICS groupings might appear to be the same as similarly named groups in the SIC. Many new industry groups and look-alikes, however, are significantly different. Still other NAICS industry groups are completely composed of the same firms that went into a given SIC grouping. These groups, known as "directs," constitute 64 percent of NAICS employment and 68 percent of SIC employment. The 4 percent difference is caused primarily by the movement of headquarters and other auxiliaries into their own NAICS groups.

Many of these look-alikes will have different content un-

der the new system due to the significant differences in how some establishments, known as auxiliaries, are classified under NAICS. Auxiliaries are primarily engaged in providing management or support services for other establishments of the same enterprise. The auto company headquarters discussed above presents an excellent example of an auxiliary reporter. The SIC grouping in manufacturing called transportation equipment has its NAICS sound-alike subsector called transportation equipment manufacturing. It would be reasonable to assume that these series should have the same totals under either system. However, because the headquarters establishment moves out of manufacturing and into management, the motor vehicle manufacturing employment count will be lower in the NAICS system. Other nonmanufacturing activities executed by auxiliary units of the auto company, such as warehousing, research and development, accounting, and so on, similarly move out of the manufacturing category into other sectors. Employment in NAICS transportation equipment manufacturing is 1,969,681 compared with 1,786,055 employees in SIC transportation equipment. (See table 4.) For this reason, the differences between look-alikes are minor compared with the differences caused by breaking old groups apart.

Look-alike NAICS groups also differ from their SIC counterparts, because many of them consist of subsets of the old SIC groups. For example, the SIC group transportation by air looks like NAICS air transportation. But the air transportation subsector loses the air courier industry, which derives much of its employment from express package delivery companies. The air courier industry moves to the new NAICS couriers and messengers subsector. Other industries moving out of transportation by air are air ambulance services and private air traffic control. Air transportation thus shrinks to

² Most railroad employees are covered by unemployment programs

sic industry establishment and employment distribution by two-digit code, private ownership, Table 4. first quarter (March) 2001 Establishments **Employment** SIC Average Industry weekly code wages Total Percent Total Percent 7.717.559 100.0 109.092.587 100.0 \$720 Total Agriculture, forestry, and fishing 204,851 100.0 1,714,176 100.0 392 01 Agricultural production, crops 46,987 22.9 486,957 28.4 362 20,640 197,970 433 02 Agricultural production, livestock..... 10.1 11.5 07 130.386 391 Agricultural services 63.6 990.221 57.8 08 3 801 28 847 534 Forestry 1.9 1.7 09 Fishing, hunting, and trapping 3,037 1.5 10,181 .6 667 27,060 100.0 549.375 100.0 1,255 10 Metal mining 753 2.8 36,626 6.7 1,143 77,364 2,028 14.1 1,061 12 Coal mining 13 18,095 66.9 328,673 59.8 Oil and gas extraction 1,457 14 Nonmetallic minerals, except fuels 6,184 22.9 106,712 19.4 810 748,613 100.0 6,357,030 100.0 703 Construction 15 General building contractors 293 1,394,490 21.9 761 219 208 830.709 16 Heavy construction, ex. building 43 280 5.8 13 1 771 17 Special trade contractors 486,125 64.9 4,131,831 65.0 669 Manufacturing 410.912 100.0 18,030,796 100.0 887 20 Food and kindred products 23,612 5.7 1,659,840 9.2 700 21 Tobacco products 191 32,780 1,637 22 6,544 1.6 494,972 2.7 Textile mill products 563 23 Apparel and other textile products 22,464 5.5 589,066 3.3 465 Lumber and wood products 24 39,236 777.647 4.3 559 9.5 25 12.070 Furniture and fixtures 2.9 540.830 3.0 587 26 Paper and allied products..... 7.679 19 638.294 3.5 928 27 Printing and publishing 64,269 15.6 1,518,898 8.4 813 28 Chemicals and allied products 15.382 3.7 1,026,022 5.7 1.399 29 Petroleum and coal products 2,712 121,867 .7 1,457 .7 30 Rubber and misc. plastics products 16,949 4.1 975,652 682 31 1,827 64,388 591 Leather and leather products 32 Stone, clay, and glass products 18,081 4.4 567,745 3.1 788 Primary metal industries 33 7,912 1.9 674,915 3.7 893 34 39,755 1,510,288 727 Fabricated metal products 9.7 8.4 Industrial machinery and equipment 35 62 806 15.3 2 086 295 116 1 014 36 Electronic and other electric equipment 20.342 5.0 1.735.961 96 1 103 37 Transportation equipment 15.837 3.9 1,786,055 9.9 1.083 38 Instruments and related products 14,136 3.4 847,393 4.7 1,143 39 Miscellaneous manufacturing industries ... 19,108 4.7 381,888 2.1 665 Transportation and public utilities 325,356 100.0 6,854,424 100.0 892 40 Railroad transportation² 153 1,664 581 20,967 41 Local and interurban passenger transit 6.4 491,935 7.2 392 42 Trucking and warehousing 147,676 45.4 1,829,199 26.7 621 44 Water transportation 9 492 29 184 628 27 875 Transportation by air 45 16.996 800 5.2 1,283,235 18.7 46 Pipelines, except natural gas 1,017 3 13.785 2 1.391 47 Transportation services 50,559 15.5 473,094 6.9 692 48 Communication 52,578 16.2 1,726,560 25.2 1,173 49 Electric, gas, and sanitary services 25,918 8.0 850,324 12.4 1,434 100.0 6,781,007 100.0 Wholesale trade 650,040 932 Wholesale trade, durable goods 50 419,249 64.5 4,048,472 59.7 985 51 Wholesale trade, nondurable goods 230,791 35.5 2,732,535 40.3 854

See footnotes at end of table.

iic	Industry	Establi	shments	Employ	Average weekly	
ode		Total	Percent	Total	Percent	wages
	Retail trade	1,471,361	100.0	23.082.816	100.0	\$362
2	Building materials and garden supplies	66,894	4.5	998,650	4.3	495
3	General merchandise stores	40,168	2.7	2,799,206	12.1	373
4	Food stores	173.033	11.8	3,432,231	14.9	348
5	Automotive dealers and service stations	179,315	12.2	2,390,298	10.4	573
6	Apparel and accessory stores	101,170	6.9	1,155,021	5.0	345
7	Furniture and homefurnishings stores	120.416	8.2	1,134,516	4.9	547
8	Eating and drinking places	459,090	31.2	8,106,573	35.1	236
é	Miscellaneous retail	331,275	22.5	3,066,321	13.3	425
	Finance, insurance, and real estate	691,174	100.0	7,521,051	100.0	1,430
)	Depository institutions	98,448	14.2	2,044,511	27.2	987
	Nondepository institutions	60,704	8.8	698,336	9.3	1,219
2	Security and commodity brokers	57,113	8.3	787,374	10.5	4,818
3	Insurance carriers	45,859	6.6	1,465,241	19.5	1,190
1	Insurance agents, brokers, and service	133,856	19.4	769,219	10.2	940
5	Real estate	264,862	38.3	1,503,617	20.0	701
7	Holding and other investment offices	30,332	4.4	252,753	3.4	2,226
	Services	2,984,643	100.0	37,768,488	100.0	658
)	Hotels and other lodging places	60,288	2.0	1,833,367	4.9	412
2	Personal services	191,162	6.4	1,327,847	3.5	338
3	Business services	544,463	18.2	9,627,979	25.5	730
5	Auto repair, services, and parking	193,224	6.5	1,247,629	3.3	498
3	Miscellaneous repair services	67,658	2.3	369,430	1.0	628
3	Motion pictures	44,210	1.5	591,494	1.6	744
)	Amusement and recreation services	103,657	3.5	1,594,677	4.2	472
)	Health services	470,032	15.7	10,234,868	27.1	659
	Legal services	164,540	5.5	1,017,279	2.7	1,093
2	Educational services	49,637	1.7	1,837,568	4.9	609
3	Social services	171,649	5.8	2,909,756	7.7	371
-	Museums, botanical, zoological gardens	4,152	.1	103,745	.3	483
	Membership organizations	102,726	3.4	1,020,720	2.7	463
	Engineering and management services	380,588	12.8	3,570,395	9.5	1,061
3	Private households	424,296	14.2	432,247	1.1	271
9	Services, nec	12,361	.4	49,487	.1	1,279
	Unclassified	203,549	100.0	433,424	100.0	739
9	Nonclassifiable establishments	203,549	100.0	433,424	100.0	739

¹ Value too small to display.

under the Railroad Retirement Act and thus are not included in this article.

626,834 employees under NAICS, from 1,283,235 employees under the SIC system.

About the data

The data presented in this article are preliminary and cover the private sector, as tabulated using the 2002 version of NAICS. Final data may differ, as additional business reports for this time period are reported to State unemployment insurance systems and then, ultimately, to BLS. The tabulations under NAICS and SIC vary slightly, due to the treatment

of selected records with incomplete identifiers. While BLS does release CEW industry data at the Federal, State, and local government levels, this article focuses on the data covering the private sector, because that best serves the purpose of conducting a brief review of data under the NAICS structure.

The average weekly wage is created by dividing the total quarterly wage data reported to CEW by average quarterly employment, and then dividing that figure by 13, the number of weeks in the quarter. It is not adjusted for the number of hours paid. This feature accounts for some of the wide differences between industries, as some industries have greater

² Most railroad employees are covered by unemployment programs

proportions of their employees regularly working a full week than do others. The average weekly wage does provide a good approximation of the amount of the weekly gross wage for each industry. Its total quarterly wage counterpart also is useful for reporting how many gross payroll dollars are produced by various industries each quarter.

THIS FIRST LOOK AT NAICS DATA acquaints users with the

new NAICS structure. In 2002, BLS will release ratio tables depicting the relationship between NAICS and SIC series. These tables and their accompanying files will allow users to convert existing SIC series to a NAICS basis. Comprehensive 2001 CEW NAICS data will be available in the fall of 2002 for every county, metropolitan area, and State, as well as at the national level.

Notes

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¹ The companion article, "Implementing the North American

Industry Classification System at BLS," by James A. Walker and John B. Murphy, on pages 15–21, provides a general background on NAICS and a timetable for BLS implementation in all of its programs.

² SESAs, for example, are State Departments of Labor or Workforce Commissions.

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