

United States Census Bureau

Selected Glossary Terms

NAICS code

The North American Industry Classification System (NAICS) is a supply-based, or production-oriented system that classifies industries. NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. It replaced the Standard Industrial Classification system in 1997 that had been used since the 1930s. It was developed to allow for a high level of comparability in business statistics among the three North American countries. NAICS is based on a production-oriented concept, meaning that it groups establishments into industries according to similarity in the processes used to produce goods or services. For more information on NAICS, see *Economic Census: NAICS Codes*.

Industry Classification

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. It was developed to allow for a high level of comparability in business statistics among the three North American countries. NAICS is based on a production-oriented concept, meaning that it groups establishments into industries according to similarity in the processes used to produce goods or services.

NAICS Structure

Sector Definitions

Codes Not Covered

The 2022 Economic Census statistics are published based on the 2022 NAICS vintage. For additional information on NAICS and NAICS changes, visit: <https://www.census.gov/naics>.

NAICS Structure

NAICS uses a hierarchical structure. A "hierarchy" is the relationship of one item to a particular category.

The organization of NAICS is as follows:

Sector: 2-digit code

Subsector: 3-digit code

Industry Group: 4-digit code

NAICS Industry: 5-digit code

National Industry: 6-digit code

Note: Three sectors are represented by a range of 2-digit codes. These include Manufacturing (31-33), Retail Trade (44-45) and Transportation and Warehousing (48-49).

Example

Level	NAICS Code	Title
Sector	44-45	Retail Trade
Subsector	441	Motor Vehicle and Parts Dealer
Industry Group	4412	Other Motor Vehicle Dealers
NAICS Industry	44122	Motorcycle, Boat, and Other Motor Vehicle Dealers
National Industry	441222	Boat Dealers

Note: Some Economic Census tables also display data at the 7- and 8-digit levels. Although these codes are NAICS-based codes, they are not included in the official classification system.

Sector Definitions

There are twenty sectors included in the NAICS. All sectors, except 92, have full or part representation in the economic census.

Sector	Description
11	Agriculture, Forestry, Fishing and Hunting
21	Mining, Quarrying, and Oil and Gas Extraction
22	Utilities
23	Construction
31-33	Manufacturing
42	Wholesale Trade
44-45	Retail Trade
48-49	Transportation and Warehousing
51	Information
52	Finance and Insurance
53	Real Estate and Rental and Leasing
54	Professional, Scientific, and Technical Services
55	Management of Companies and Enterprises
56	Administrative and Support and Waste Management and Remediation Services
61	Educational Services
62	Health Care and Social Assistance
71	Arts, Entertainment, and Recreation

72	Accommodation and Food Services
81	Other Services (except Public Administration)
92	Public Administration (<i>not covered in economic census</i>)

Codes Not Covered

The following NAICS codes are not covered in the economic census.

Those industries marked with "CBP" are included in County Business Patterns and in Statistics of U.S. Businesses, which both use NAICS.

NAICS	Industry categories excluded from the economic census	Coverage in CBP
11	Agriculture, Forestry, Fishing and Hunting (Exception: The 2022 Economic Census includes NAICS 1151 Support Activities for Crop Production and NAICS 1152 Support Activities for Animal Production.)	CBP (except 111,112)
111	Crop Production	
112	Animal Production and Aquaculture	
113	Forestry and Logging	
114	Fishing, Hunting, and Trapping	
1153	Support Activities for Forestry	
482	Rail Transportation	
491	Postal Service	
525	Funds, Trusts, and Other Financial Vehicles	CBP (except 5251, 52592)
6111	Elementary and Secondary Schools	CBP (private schools only)
6112	Junior Colleges	CBP (private schools only)
6113	Colleges, Universities, and Professional Schools	CBP (private schools only)
8131	Religious Organizations	CBP
81393	Labor Unions and Similar Labor Organizations	CBP
81394	Political Organizations	CBP
814	Private Households	
92	Public Administration	

Meaning of type of operation code

In addition to being classified by kind of business, merchant wholesale establishments are also classified by type of operation according to the ownership of the business and character of the transactions. Merchant wholesale establishments are grouped into two major types of operation and related subgroups:

Merchant wholesalers, except manufacturers' sales branches and offices

Establishments primarily engaged in buying and selling merchandise on their own account. Included here are such types of establishments as wholesale distributors and jobbers, importers, exporters, own-brand importers/marketers, terminal and country grain elevators, and farm products assemblers. For a detailed description of each of these types of establishments, see the Wholesale Trade data.

Manufacturers' sales branches and offices

Establishments primarily maintained by manufacturing, refining, and mining companies apart from their plants or mines for marketing their products at wholesale. Sales branches and offices located at plants or administrative offices are classified as manufacturers' sales branches or offices, if separate records are available.

Meaning of tax status code

In addition to being classified by kind of business, establishments in selected services sectors are also classified by whether the business is subject to or exempt from federal income taxes. A total is also shown when data are published for both categories.

Number of firms

Definition

A firm is a business organization or entity consisting of one or more domestic establishments (locations) under common ownership or control. A firm may be a business, service, or membership organization; consist of one or several establishments; and operate at one or several locations. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic census, the terms 'firm,' 'company,' and 'enterprise' are synonymous.

Number of establishments

Definition

An establishment is a single physical location at which business is conducted, services are provided, or industrial operations are performed. It is not necessarily identical with a firm or enterprise, which may consist of one establishment or more.

Economic census figures represent a summary of reports for individual establishments rather than firms. For cases where a census report was received, separate information was obtained for each location where business was conducted. When administrative records of other federal agencies were used instead of a census report, no information was available on the number of locations operated. Each economic census establishment was tabulated

according to the physical location at which the business was conducted. The count of establishments represents those in business at any time during the census year.

When two activities or more were carried on at a single location under a single ownership, all activities generally were grouped together as a single establishment. The entire establishment was classified on the basis of its major activity and all data for it were included in that classification. However, when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census.

Leased departments are considered separate establishments and are classified according to the kind of business they conduct. For example, a beauty shop in a department store or a gift shop located in a hospital would be treated as separate establishments.

Sector-Specific Information:

Mining Sector

The establishment basis for reporting crude petroleum and support activities for mining industries is different from the establishment basis used for other types of mining. Firms operating oil and gas wells, drilling wells, or exploring for oil and gas for their own account were required to submit a separate report for each state or offshore area adjacent to a state in which it conducted such activities. Firms that performed contract services for oil and gas field operation or for mining establishments were required to submit one report covering all such activities in the United States and to include information on receipts for services and production-worker wages and hours by state. These consolidated reports were then allocated to state establishments based on the data reported at the state level.

Real Estate and Rental and Leasing Sector

Data for individual properties leased or managed by property lessors or property managers are not normally considered separate establishments, but rather the permanent offices from which the properties are leased or managed are considered establishments. Data for separate automotive rental offices or concessions (e.g., airport locations) in the same metropolitan area, for which a common fleet of cars is maintained, are merged together and not considered as separate establishments.

Annual payroll (\$1,000)

Definition

This definition of payroll is the same as that used by the Internal Revenue Service (IRS) on Forms 941 or 944 as taxable Medicare Wages and Tips (even if not subject to income or FICA tax)."

Sector-Specific Information

Administrative and Support and Waste Management and Remediation Services; Arts, Entertainment, and Recreation; Educational Services; Health Care and Social Assistance; Information; Management of Companies and Enterprises; Professional, Scientific, and Technical Services; and Other Services (Except Public Administration)

Included are salaries of members of professional service organizations or associations which operate under state professional corporation statutes and file a corporate federal income tax return.

Finance and Insurance and Real Estate and Rental and Leasing Sectors

Included is compensation paid to sales agents (e.g., independent insurance or real estate agents) as reported on IRS Forms 941 or 944; exclude if reported on IRS Form 1099-MISC-Statement for Recipients of Miscellaneous Income.

Excluded are commissions paid to independent (nonemployee) agents, such as insurance or real estate agents.

Manufacturing Sector

Excluded are payments to members of Armed Forces and pensioners carried on the active payrolls of manufacturing establishments.

Mining Sector

Included are payments received on a ton, car, or yard basis.

Excluded are payments to members of Armed Forces and pensioners carried on the active payroll of mining establishments. Also excluded are royalty payments to unions and costs of smithing, explosives, fuses, electric cap lamps, and mine supplies used in production, development, and exploration work but charged to employees and deducted from their wages.

Wholesale Trade Sector

Included is compensation paid to sales agents and/or brokers as reported on IRS Forms 941 or 944; exclude if reported on IRS Form 1099-MISC, Statement for Recipients of Miscellaneous Income.

Excluded are commissions paid to independent (nonemployee) agents and/or brokers.

Related Terms

Annual payroll (\$1,000)

First-quarter payroll (\$1,000)

Definition

First-quarter payroll includes the payroll paid before deductions to persons employed at any time during the quarter from January to March of the reporting year.

Number of employees (ECON)

Definition

This definition of paid employees is the same as that used by the Internal Revenue Service (IRS) on Forms 941 or 944. Paid employees consist of full- and part-time employees, including salaried officers and executives of corporations and salaried members of professional service organizations or associations, who were on the payroll during the pay period including March 12. Included are employees on paid sick leave, paid holidays, and paid vacations.

Excluded are proprietors and partners of unincorporated businesses; independent (nonemployee) agents; full- and part-time leased employees whose payroll was filed under an employee leasing company's Employer Identification Number (EIN); temporary staffing obtained from a staffing service; employees in leased departments; and subcontractors and their employees.

Note: For employment and related fields (payroll, production hours, benefits), respondents were asked to report only those full- and part-time employees whose payroll was reported on the IRS Forms 941 or 944 filing for the Employer Identification Number (EIN) used by that establishment. Other temporary workers and workers whose payroll was reported under a different firm's EIN were reported elsewhere. Comparisons of census-year data and data for earlier years should be used with caution.

Sector-Specific Information:

Manufacturing Sector

The "all employees" number is the number of production workers who were on the payroll for the pay period including March 12 plus the number of other employees who were on the payroll in mid-March.

The "production workers" number includes workers (up through the line-supervisor level) engaged in fabricating, processing, assembling, inspecting, receiving, storing, handling, packing, warehousing, shipping (but not delivering), maintenance, repair, janitorial and guard services, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with these production operations at the establishment covered by the report. Employees above the working-supervisor level are excluded from this item. This "production workers" number is shown for each of the production workers who were on the payroll during the pay periods including the 12th of March, June, September, and December.

The "other employees" number covers nonproduction employees of the manufacturing establishment, including those engaged in factory supervision above the line-supervisor level. It includes sales (including driver-salespersons), sales delivery (highway truck drivers and their helpers), advertising, credit, collection, installation and servicing of own products, clerical and routine office functions, executive, purchasing, financing, legal, personnel (including cafeteria, medical, etc.), professional, and technical employees. Also included are employees on the payroll of the manufacturing establishment engaged in the construction of major additions or alterations utilized as a separate work force.

Mining Sector

The "production, development, and exploration workers" number includes workers (up through the working-supervisor level) engaged in manual work (using tools, operating machines, hauling materials, loading and hauling products out of the mine, and caring for mines, plants, mills, shops, or yards). Included are exploration work, mine development, storage, shipping, maintenance, repair, janitorial and guard services, auxiliary production for use at establishments (e.g., power plants), recordkeeping, and other services closely associated with these production operations at the establishment covered by the report. Gang and straw bosses and supervisors who performed manual labor are included, as are employees paid on either a time- or piece-rate basis. Also included are miners paid on a per ton, car, or yard basis and persons engaged by them and paid out of the total amount received by these miners. Employees above the working-supervisor level and those of contractors are excluded from this item.

The "other employees" number covers nonproduction employees of the mining establishment including those engaged in the following activities: supervision above the working-supervisor

level, sales, highway trucking or other transportation (by employees not entering mines or pits), advertising, credit, collection, clerical and routine office functions, executive, purchasing, financing, legal, personnel (including cafeteria, medical, etc.), and professional (engineers, geologists, etc.) and technical work. Also included are employees on the payroll of the mining establishment engaged in the construction of major additions or alterations utilized as a separate work force. Workers engaged in regular maintenance and repair operations are excluded here but are classified as production, development, and exploration workers. Employees of contractors are excluded from this item.

Construction Sector

The "all employees" number is the sum of non-leased construction workers plus the number of other non-leased employees who were on the payroll for the pay period including March 12."d">

Sales, value of shipments, or revenue (\$1,000)

Definition

Sales, value of shipments, or revenue refers to all appropriate dollar volume measures including total sales, value of shipments, revenue, receipts, or business done at any time during the census year, whether or not payment was received during the census year, by domestic establishments (excluding foreign subsidiaries) within the scope of the economic census. Detailed descriptions of each are included in the sector-specific information below.

Data are shown in thousands of dollars (\$1,000).

Sector-Specific Information:

Accommodation and Food Services Sector

Includes sales from customers for services rendered, from the use of facilities, and from merchandise sold.

Excludes carrying or other credit charges; sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency; gross revenue of departments or concessions operated by others; and commissions or revenue from the sale of government lottery tickets.

Administrative and Support and Waste Management and Remediation Services; Arts, Entertainment, and Recreation; Educational Services; Health Care and Social Assistance; Professional, Scientific, and Technical Services; and Other Services (except Public Administration)

For service establishments subject to federal income tax, this includes gross revenue from customers or clients for services provided, from the use of facilities, and from merchandise sold. For advertising agencies, travel industries, and other service establishments operating on a commission basis, revenue includes commissions, fees, and other operation income, NOT gross billings and sales. Excise taxes on gasoline, liquor, tobacco, etc., which are paid by the manufacturer or wholesaler and passed on in the cost of goods purchased by the service establishment, are also included. The establishments' share of revenue from departments, concessions, and vending and amusement machines operated by others are included. Revenue also includes amounts received from the rental and leasing of vehicles, equipment, instruments, and tools; the total value of service contracts; market value of compensation received in lieu of cash; amounts received for work subcontracted to others; and dues and assessments from members and affiliates. Revenue from services performed for foreign parent firms, subsidiaries, and branches are included. Independent artists, writers, and performers include royalties in revenue.

Excludes sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency; gross revenue of departments or concessions operated by others; sales of used equipment previously rented or leased to customers; domestic intracompany transfers; proceeds from the sale of real estate (land and buildings), investments, or other assets (except inventory held for resale); income from interest, rental of real estate, dividends, contributions, and grants; revenue of foreign parent firms and subsidiaries; and other nonoperating income, such as franchise fees. Revenue does not include service receipts of manufacturers, wholesalers, retail establishments, or other businesses whose primary activity is other than services rendered (e.g, sale of merchandise to individuals or other businesses) by establishments primarily engaged in performing services and classified in the service industries. Revenue is net after deductions for refunds and allowances for merchandise returned by customers.

For service establishments exempt from federal income tax, this includes revenue from customers or clients for services provided and gross sales of merchandise, minus returns and allowances. Also included are income from interest, dividends, gross rents (including display space rentals and share of revenue from departments operated by other companies), gross contributions, gifts, grants (whether or not restricted for use in operations), royalties, dues and assessments from members and affiliates, commissions earned from the sale of merchandise owned by others (including commissions from vending machine operators), and gross revenue from fundraising activities. Revenue now includes gains or losses from the sale of real estate (land and buildings), investments, or other assets (except inventory held for resale). Revenue from taxable business activities of firms exempt from federal income tax (unrelated business income) are also included.

Excludes sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency; gross revenue of departments or concessions operated by others; and amounts transferred to operating funds from capital or reserve funds.

Construction Sector

Includes the value of construction work done during the year for construction work performed by general contractors and special trade contractors. Included is new construction, additions and alterations or reconstruction, and maintenance and repair construction work. Also included is the value of any business done by the reporting establishments for themselves.

Speculative builders were instructed to include the value of buildings and other structures built or being built for sale in the current year but not sold. They were to include the costs of such construction plus normal profit. Also included is the cost of construction work done on buildings for rent or lease.

Establishments engaged in the sale and installation of such construction components as plumbing, heating, and central air-conditioning supplies and equipment; lumber and building materials; paint, glass, and wallpaper; electrical and wiring supplies; and elevators or escalators were instructed to include both the value for the installation and the receipts covering the price of the items installed.

Finance and Insurance Sector

Includes revenue from all business activities, including commissions and fees from all sources, rents, net investment income, interest, dividends, royalties, and net insurance premiums earned. Revenue from leasing property marketed under operating leases is included, as well as interest earned from property marketed under capital, finance, or full payout leases. Revenue also includes the total value of service contracts and amounts received for work subcontracted to others.

Excludes sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency.

Information Sector

Includes gross revenue from customers or clients for services provided, from the use of facilities, and from merchandise sold. Revenue includes royalties, license fees, and other payments from the marketing of intangible products (e.g., licensing the use of or granting reproduction rights for software, musical compositions, and other intellectual property). Revenue also includes the rental and leasing of vehicles, equipment, instruments, tools, etc.; total value of service contracts; market value of compensation received in lieu of cash;

amounts received for work subcontracted to others; dues and assessments from members and affiliates; this establishment's share of revenue from departments, concessions, and vending and amusement machines operated by others. Sales to and revenue from services performed for foreign parent firms, subsidiaries, and branches are included. Revenue also includes advertising sales, and sales of goods and services marketed through sales offices. For public broadcast stations and libraries, revenue includes contributions, gifts, grants, and income from interest, rental of real estate, and dividends.

Excludes gross revenue collected on behalf of others; sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency; gross revenue of departments or concessions operated by others. Also excluded are sales of used equipment previously rented or leased to customers; proceeds from the sale of real estate (land and buildings), investments, or other assets (except inventory held for resale); contributions, gifts, grants, and income from interest, rental of real estate, and dividends, EXCEPT for public broadcast stations and libraries; domestic intracompany transfers; revenue of foreign parent firms and subsidiaries; and other nonoperating income (e.g., franchise fees).

Management of Companies and Enterprises Sector

Includes gross revenue from services provided, from the use of facilities, and from merchandise sold. Revenue also includes income from interest, rental of real estate, or dividends; contributions, gifts, and grants of not-for-profit organizations exempt from federal income tax; revenue from services performed for foreign parent firms, subsidiaries, branches, etc; the establishments' share of revenue from departments, concessions, and vending and amusement machines operated by others; revenue from the rental and leasing of vehicles, equipment, instruments, and tools; the total value of service contracts; market value of compensation received in lieu of cash; amounts received for work subcontracted to others; franchise sales and fees, license fees, and royalties; and gains and losses from the sale of real estate (land and bulidings), investments, or other assets (except inventory held for resale).

Excludes sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency; gross revenue of departments or concessions operated by others; domestic intracompany transfers; and revenue of foreign parent firms and subsidiaries.

Manufacturing and Mining Sectors

Includes the net selling values (exclusive of freight and excise taxes) of all products shipped including installation and repair, sales of scrap, and sales of products bought and sold without further processing. Included are all products physically shipped by the establishments, whether sold, transferred to other plants of the same firm, or shipped on

consignments. For products transferred to other establishments of the same firm, or prepared on a custom or toll basis, firms were requested to report the estimated value, not merely the cost of producing the product. In the case of multiunit firms, the mineral operation was requested to report the value of products transferred to the other establishments of the same firm at full economic or commercial value, including not only the direct cost of production but also a reasonable proportion of "all other costs" (including firm overhead) profit.

Real Estate and Rental and Leasing Sector

Includes revenue from all business activities, including commissions and fees from all sources, rents, net investment income, interest, dividends, and royalties. Revenue from leasing property marketed under operating leases is included. Revenue also includes the total value of service contracts, amounts received for work subcontracted to others, and rents from real property sublet to others.

Excludes sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency.

Retail Trade Sector

Includes merchandise sold for cash and credit at retail and wholesale by establishments primarily engaged in retail trade; amounts received from customers for layaway purchases; revenue from rental of vehicles, equipment, instruments, tools, etc.; revenue for delivery, installation, maintenance, repair, alteration, storage, and other services; the total value of service contracts; gasoline, liquor, tobacco, and other excise taxes which are paid by the manufacturer or wholesaler and passed on to the retailer; and shipping and handling receipts. Also included are non-retail merchandise sales by establishments primarily engaged in retail trade to industrial users and to retailers.

Sales are net after deductions for refunds and allowances for merchandise returned by customers. Trade-in allowances are not deducted from sales.

Excludes carrying or other credit charges; sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency; gross revenue of departments or concessions operated by others; and commissions or revenue from the sale of government lottery tickets. Also excluded are retail sales made by manufacturers, wholesalers, service establishments, or other businesses whose primary activity is other than retail trade.

Transportation and Warehousing and Utilities Sectors

Includes revenue from all business activities.

Excludes sales and other taxes collected from customers and paid directly to a local, state, or federal tax agency.

Wholesale Trade Sector

Includes merchandise sold for cash and credit by establishments primarily engaged in wholesale trade; receipts for delivery, installation, maintenance, repair, alteration, storage, and other services; the gross selling value of goods the establishment sold or purchased on a commission, brokerage, consignment, or agency basis for others; the actual value of trade-ins taken as partial payment for other merchandise; sales to foreign subsidiaries and affiliates and to the establishment's Foreign Sales Corporations (FSCs); receipts from rental or leasing of merchandise; gasoline, liquor, and tobacco excise taxes which are paid by the manufacturer and included in the cost of the goods purchased; liquor and tobacco stamps, taxes, and licenses sold; fees received for the arrangement of the foreign sale of goods which never entered the United States or its Foreign Trade Zones; shipping and handling receipts; and the value of transfers (billing) of farm products to other establishments in the firm.

Excludes carrying or other credit charges; sales and other taxes collected from customers and paid directly to a federal, state, or local tax agency; nonoperating income from such sources as investments, rental or sale of real estate, and interest; commissions received from selling and buying goods (unless the goods never entered the United States); foreign sale of goods which never entered the United States or its Foreign Trade Zones; refunds or allowances for returned merchandise; and transfers (billings) to other establishments in the firm, except those made by petroleum bulk plants to the firm's own retail service stations, retail fuel oil dealers, and retail liquefied petroleum (LP) gas dealers and those made by establishments selling farm products.

Sales shown for agents and brokers represent the value of the goods involved in the transactions rather than the commissions received or earnings.

Range indicating percent of total sales, value of shipments, or revenue imputed

Range indicating percent of total sales, value of shipments, or revenue that was imputed based on historic data, industry averages, or other statistical methods and not directly reported nor obtained from "equivalent quality" data sources. Equivalent quality data are data obtained from an alternative source of sufficient quality such that its data are treated as reported data when calculating standard response measures.

For additional information, see Appendix D3-B of the Census Bureau's Statistical Quality Standards, "[Requirements for Calculating and Reporting Response Rates: Economic Surveys and Censuses](#)."

Range indicating percent of total annual payroll imputed

Range indicating percent of annual payroll that was imputed based on historic data, industry averages, or other statistical methods and not directly reported nor obtained from "equivalent quality" data sources. Equivalent quality data are data obtained from an alternative source of sufficient quality such that its data are treated as reported data when calculating standard response measures.

For additional information, see Appendix D3-B of the Census Bureau's Statistical Quality Standards, "[Requirements for Calculating and Reporting Response Rates: Economic Surveys and Censuses](#)."

Range indicating percent of total employees imputed

Range indicating percent of total employees that was imputed based on historic data, industry averages, or other statistical methods and not directly reported nor obtained from "equivalent quality" data sources. Equivalent quality data are data obtained from an alternative source of sufficient quality such that its data are treated as reported data when calculating standard response measures.

For additional information, see Appendix D3-B of the Census Bureau's Statistical Quality Standards, "[Requirements for Calculating and Reporting Response Rates: Economic Surveys and Censuses](#)."