NAICS Codes: A Brief Guide

What are industry codes and how do they help me?

Industry codes are used to group together similar companies based on the types of products or services they offer to make it easier to collect statistical data. Searching by industry codes enables you to retrieve targeted information, thus making it easier to research and analyze industries and the companies that operate within them. Many of the databases you have access to at Saint Mary's allow you to search by industry codes, so knowing how to use these codes will make you a more effective researcher.
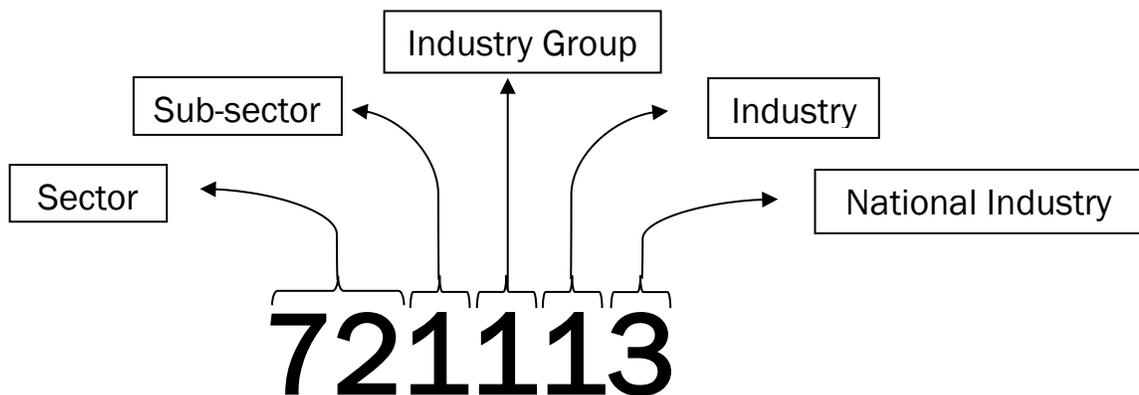
Types of Industry Codes

In North America, we typically use SIC and NAICS codes that have been developed by government statistical agencies. However, it is important to note that there are many different industry classification systems used by other governments and database providers. Below is a list of some classification systems you may come across while researching:

- FTSE's Industry Classification Benchmark (ICB)
- S&P and MSCI's Global Industry Classification Standard (GICS)
- Statistical Classification of Economic Activities in the European Community (NACE)
- United Kingdom's Standard Industrial Classification (UK SIC 2007)
- United Nations' International Standard Industrial Classification (ISIC, rev. 4)

Also, see the United Nations' list of national classifications.

NAICS Codes

Several of the databases Saint Mary's subscribes to allow you to search by North American Industry Classification System (NAICS) codes to find information on industries and companies. NAICS codes were introduced in 1997 to replace Standard Industrial Classification (SIC) codes and have since been adopted as a departmental standard by Statistics Canada. Although both codes are still used and serve the same function, NAICS codes allow for a higher degree of specificity and comparability within the North American economy because they were developed jointly between Canada, the United States, and Mexico.

NAICS codes vary in length between two and six digits. Two digit codes only tell you the sector of the economy, whereas a six digit code will refer to a specific industry. The five digit codes are mutually agreed upon by all three countries and the sixth digit allows each country to be more specific if it requires. Remember that most databases are American, so you should use the American six digit code when searching rather than the Canadian one (if they are different).

How to find NAICS codes

You can find NAICS codes a few different ways. You can start at either:

- Statistics Canada. The most recent version is: North America Industry Classification System (NAICS) Canada 2022, Version 1.0: https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1369825

- or the US Census Bureau: https://www.census.gov/naics/

> You can find codes by starting with a company (or a few) that you know are in the industry you are researching. **Mergent Online** lists NAICS codes in parentheses in the Industry field of company profiles. Alternatively, you can search the name of the company in the **ABI/INFORM** database and click on a record related to that company. If you scroll to the "Indexing (details)" section, you may see one or more NAICS code(s) listed for the company.

Possible Points of Confusion

- No one central agency is responsible for assigning NAICS codes to individual companies, so there may be a lack of standardization between databases.

- Companies may have more than one NAICS code if they are engaged in multiple industries. The primary NAICS code will be based on whatever is the main focus of the company:

  > *e.g., Bombardier is only listed under All Other Transportation Equipment Manufacturing (336999) in Mergent Online, but ABI also lists Bombardier under Railroad Rolling Stock Manufacturing (336510), Aircraft Manufacturing (336411), and Offices of Other Holding Companies (551112).*

- Companies may have subsidiaries involved in an industry, which may or may not appear in your searches. For example, Ford Motor Company and General Motors both have financing divisions, but are only listed as manufacturers because their financing divisions are technically separate companies.

- While the six-digit number is the most specific, in some instances you may find it helpful to search for a broader *Industry* or *Industry group*. Some databases will require you to use an asterisk to replace missing digits when searching (e.g., 721* or 7211*) or to simply omit these digits (e.g., 721 or 7211). Others will only allow searching by the full code. Use the **Help** feature of the database to determine the proper search technique.

NAICS and SIC Codes

Although NAICS codes were developed to replace SIC codes, SIC is still being used in many places, including some databases, print sources, and the US Securities and Exchange Commission. The Statistics Canada website and the US Census Bureau website both offer concordances which will allow you to cross-reference NAICS codes with SIC codes or past versions of NAICS, and vice versa.

Statistics Canada Concordances   https://www.statcan.gc.ca/en/concepts/concordances-classifications

Example:

SIC-E 1980		NAICS 2002	
A0115	Sheep and Goat Farms	112410	Sheep Farming
		112420	Goat Farming
A0119	Livestock Combination Farms	112991	Animal Combination Farming

Statistics Canada. (2006, July 3). Concordance: Standard Industrial Classification - Establishments (SIC-E) 1980 to North American Industry Classification (NAICS) 2002. Retrieved from https://www.statcan.gc.ca/subjects-sujets/standard-norme/concordances/sice-ctie80_naics-scian02-eng.htm

US Census Bureau Concordances   https://www.census.gov/naics/?68967

Example:

SIC (U.S.)		NAICS 2002	
0273	Animal Aquaculture (shellfish farms)	112512	Shellfish Farming
0919	Miscellaneous Marine Products (cultured pearl production)		
0921	Fish Hatcheries and Preserves (shellfish hatcheries)		

United States Census Bureau. North American Industry Classification System. Reference Files. Concordances. 2002 NAICS to 1987 SIC. Retrieved from https://www.census.gov/naics/?68967

Selected Resources That Use NAICS Codes

ABI/INFORM	Library's A to Z Databases list (https://libguides.smu.ca/az.php)
Business Source Premier (EBSCO)	Library's A to Z Databases list (https://libguides.smu.ca/az.php)
Hoover's via Nexis Uni	Library's A to Z Databases list (https://libguides.smu.ca/az.php)
Market Share Reporter	Library's A to Z Databases list (https://libguides.smu.ca/az.php)
Mergent Online & Mergent Intellect	Library's A to Z Databases list (https://libguides.smu.ca/az.php)

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