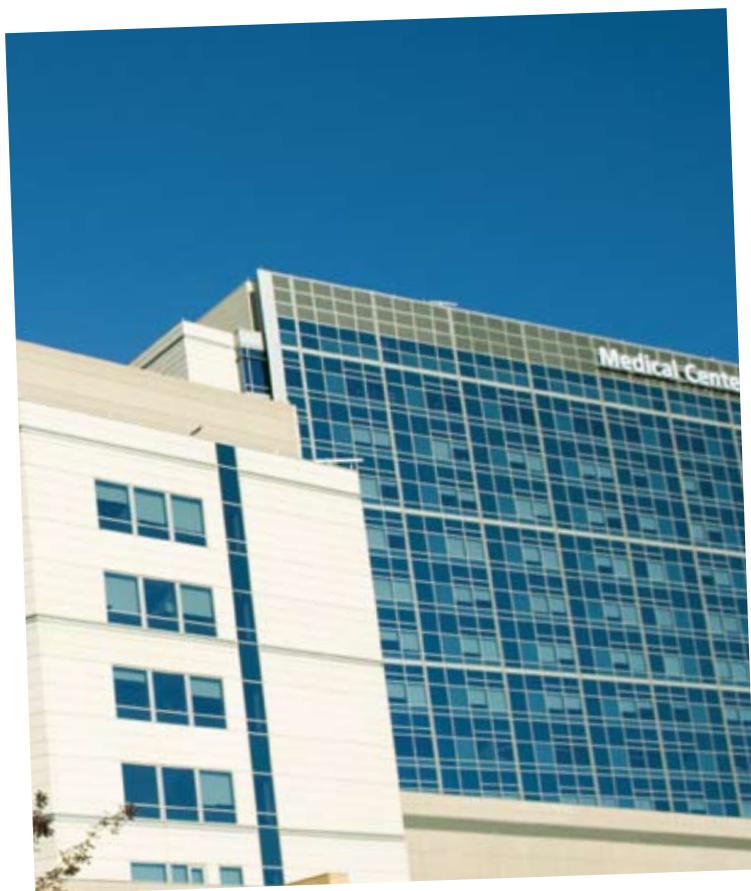


What We Do: Industry vs.

There are two major ways a particular job is counted, by industry—according to the type of good produced or service provided, and by occupation—according to the tasks or work activities performed.



Industries

Jobs are grouped into a particular industry at the work site or establishment. Everyone who works in a hospital, for example, is part of the hospital industry. This includes not only healthcare workers, such as doctors and nurses, but also office managers, accountants, receptionists and janitors.

All work sites or establishments are slotted by the product produced into the appropriate industry using the North American Industry Classification System (NAICS). Under NAICS all industries fall into either goods-producing or service-providing sectors.

The goods-producing sectors are:

- Natural resources and mining
- Construction
- Manufacturing

The service-producing sectors are:

- Trade, transportation, and utilities
- Information
- Financial activities
- Professional and business services
- Educational services
- Health care and social assistance
- Leisure and hospitality
- Government (federal, state, and local)

Listed above are the broad groupings or industry “supersectors.” There are many more detailed industry sub-groupings under each of these supersector headings.

In order to make some sense of the economy and labor market, it is necessary to quantify and classify the many data items that can be collected, putting similar items into categories that can be recorded, summarized, and charted. One of the most important areas of the economy where information is gathered and categorized is the jobs that people have—what it is they do.

Occupation

Occupations

A job is assigned into a particular occupation according to common tasks or work activities performed. From the previous hospital example, everyone who works in a hospital is part of the hospital industry.

The hospital example includes accountants. All workers who perform similar accounting tasks and work activities are classified as accountants. Accountants, as an occupation, are found in virtually every industry. Other occupations are found only within a specific industry, such as a surgeon, classified under the healthcare industry.

Occupations are grouped and categorized using the Standard Occupational Classification (SOC) system. There are over 600 different occupations defined in the SOC system, which are grouped into the following ten major categories.

- Management, business, and financial
- Professional and related
- Service
- Sales and related
- Office and administrative support
- Farming, fishing, and forestry
- Construction trades and related
- Installation, maintenance, and repair
- Production
- Transportation and material moving

Jobs are examined as part of economic activity historically, currently, or with future projections and forecasts. Making some sense of the complexities of the labor market requires organizing, simplifying, and categorizing. As this is done we make an important distinction between what is produced where people work—the industry—and what duties are performed where people work—the occupation. ①



For more detailed information on NAICS and SOC classification systems consult the following:

North American Industry Classification System (NAICS)—
<http://www.census.gov/eos/www/naics/>

Standard Occupational Classification (SOC) system—
<http://www.bls.gov/soc/>