Release of Historical NAICS, Sub-state Industry Detail Files, and Related Issues

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Overview

- Current Status
- Our NAICS Backcoding
- Historical LDB NAICS codes
- Our Comparison
- State Review
- Next Steps
Current Status

• NAICS-based QWIs released for 2001:1 forward
  – This period represents the dates for which the incoming ES-202 data are native NAICS coded
  – Missing NAICS codes imputed using the LEHD algorithm
• Historical NAICS-based QWIs have been tabulated for IL and CA
  – Under review
LEHD NAICS Backcoding

- Algorithm developed by Kevin McKinney
- Highlights
  - Uses existing NAICS codes if available
  - Probabilistic crosswalk SIC1987 to NAICS1997 (employment-based probabilities from Census data)
  - Accounts for SIC changes in NAICS backcoding
  - Bridges NAICS1997 to NAICS2002
  - Looks forward and backward for information
  - Fills all missing NAICS codes
Historical LDB NAICS Codes

• If a state supplied historical LDB data, then a separate NAICS backcode was created
• Highlights
  – Uses the LDB NAICS code if available
  – Bridges to NAICS2002
  – Fills remaining missing NAICS codes using the LEHD algorithm
Our Comparison

- **Study uses IL data**
- **Highlights**
  - IL LDB provides historical NAICS for 85% of establishment-quarters
  - LDB historical NAICS codes show little time-series variability even when the contemporaneous SIC changes
  - LEHD historical NAICS codes track SIC changes better
  - LDB NAICS codes show discrepancies as compared to SIC that increase the farther back we go
State Review

- Comments of IL and CA reviewers follow this presentation
Next Steps

• LED has agreed to use LDB historical NAICS codes if the state requests and provides the LDB
• Can revisit this agreement if requested because both sets of historical NAICS codes are on the LEHD infrastructure files
• Decide protocol for releasing historical NAICS QWIs
• Existing confidentiality protections will work (already approved)
• Suppressions can be handled using the procedures discussed in the data quality session