



# Claritas Business-Facts® 2023 Q4 Release Notes

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## OVERVIEW

Claritas Business-Facts® is the nation's most comprehensive database of U.S. businesses and employee counts. It contains firmographic data for about 15 million business locations including critical information, such as contact names, locations, addresses, number of employees, annual sales, SIC (Standard Industrial Classification) and NAICS (North American Industry Classification System) Industry classification codes.

The Business-Facts® database is packaged several ways and is ideal for a variety of Business-to-Business (B2B) marketing uses, including small business development. Users can profile the business composition of any market area, identify competitors, locate commercial buyers for products and services, and boost direct marketing response rates by identifying businesses most likely to respond. The Business-Facts database is updated quarterly.

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## WHAT'S NEW

The 2023 Q4 release of Business-Facts was received in October 2023, and is provided by Data Axle, Inc. Omaha, Nebraska, Copyright 2023. All Rights Reserved.

With the Q1 2023 release, the NAICS codes were updated from 2017 to 2022. The North American Industry Classification System (NAICS), developed by the Office Management and Budget (OMB) is the standard used by Federal statistical agencies to classify business establishments. The NAICS system is reviewed every five years, and codes are eligible to be redefined, absorbed into similar codes, or amended, and new codes added if deemed necessary. Updates are meant to reflect changes in the economy such as content revisions.

The 2022 NAICS manual was released in January 2022. The 2022 revisions were focused on new and emerging industries, as well as the continued usefulness of employing the mode of delivery

(online versus in-store/print) as an industry delineation criterion in the Wholesale Trade, Retail Trade, and Information sectors.

As a result, the following updates have been made:

SECTOR UPDATES		
SECTOR	DEFINITION	EXPLANATION OF CHANGES
11	Agriculture, Forestry, Fishing and Hunting	No changes.
21	Mining, Quarrying, and Oil and Gas Extraction	Thirteen 2017 codes were deprecated, replaced by six 2022 codes.
22	Utilities	No changes.
23	Construction	No changes.
31-33	Manufacturing	Thirty-one 2017 codes were deprecated, replaced by nineteen 2022 codes. The title of NAICS 311221 was amended to Wet Corn Milling and Starch Manufacturing. The previous title was Wet Corn Milling. The title of NAICS 325314 was amended to Fertilizing (Mixing Only) Manufacturing. The previous title was Fertilizer (Mixing Only) – except compost manufacturing.
42	Wholesale Trade	Four 2017 codes were deprecated, replaced by three 2022 codes.
44-45	Retail Trade	Eight-one 2017 codes were deprecated, replaced by fifty-two 2022 codes. NAICS 454390 and 454110 are to be absorbed by each industry in the Retail Trade sector.
48-49	Transportation and Warehousing	The title of NAICS 485310 was amended to Taxi and Ridesharing Services. The previous title was Taxi Service.
51	Information	Twenty 2017 codes were deprecated, replaced by eighteen 2022 codes.
52	Finance and Insurance	Eleven 2017 codes were deprecated, replaced by five 2022 codes.
53	Real Estate and Rental and Leasing	No changes.
54	Professional, Scientific, and Technical Services	The title of NAICS 541380 was amended to Testing Laboratories and Services. The previous title was Testing Laboratories.
55	Management of Companies and Enterprises	No changes.
56	Administrative and Support and Waste Management and Remediation Services	The title of NAICS 561611 was amended to Investigation and Personal Background Services. The previous title was Investigation Services.
61	Educational Services	No changes.

SECTOR UPDATES		
SECTOR	DEFINITION	EXPLANATION OF CHANGES
62	Health Care and Social Assistance	The title of NAICS 624410 was amended to Child Care Services. The previous title was Child Day Care Services.
71	Arts, Entertainment, and Recreation	No changes.
72	Accommodation and Food Services	No changes.
81	Other Services (except Public Administration)	Seven 2017 codes were deprecated, replaced by two 2022 codes.
92	Public Administration	No changes.

## Database Statistics

DATABASE STATISTICS	
RECORD TYPE	Q4 COUNT
New Records*	736,057
Removed Records*	180,115
Total Records, 2023 Q4	17,446,776

\*Since prior (2023 Q3) update

## DATA DESCRIPTION

Data is gathered through Yellow Page advertisements, public notices, and other new business sources. Data Axle, Inc. verifies all records through phone calls to each business location.

Claritas receives updated data from Data Axle, Inc. for this database on a quarterly basis, and each record is currently coded with Claritas 2023 Cartographic boundaries.

## Geocoding

The 2023 Q4 release of Claritas Business-Facts® is released with the Claritas 2023 geographic boundaries. Business records have been geocoded at the following levels of precision:

GEOCODING STATISTICS 2023 Q4		
LEVEL	COUNT	PERCENT
Address (site level)	982,822	5.63%
Parcel Location	14,509,502	83.17%
ZIP +2	60,479	0.35%
ZIP +4	597,482	3.43%

GEOCODING STATISTICS 2023 Q4		
LEVEL	COUNT	PERCENT
ZIP Centroid	99,951	0.57%
Other	1,196,540	6.85%
Total	17,446,776	

## Business Counts by Industry – NAICS

BUSINESS COUNTS BY INDUSTRY – NAICS	
CATEGORY & DESCRIPTION	2023 Q4 COUNT
Division A: Agriculture, Forestry, Fishing, and Hunting (NAICS Code 11)	103,312
Division B: Mining, Quarrying, Oil, and Gas Extraction (NAICS Code 21)	19,763
Division C: Utilities (NAICS Code 22)	24,260
Division D: Construction (NAICS Code 23)	935,881
Division E: Manufacturing (NAICS Codes 31, 32, 33)	450,104
Division F: Wholesale Trade (NAICS Code 42)	405,927
Division G: Retail Trade (NAICS Codes 44, 45)	1,725,896
Division H: Transportation and Warehousing (NAICS Codes 48,49)	293,185
Division I: Information (NAICS Code 51)	273,678
Division J: Finance and Insurance (NAICS Code 52)	1,132,491
Division K: Real Estate, Rental, and Leasing (NAICS Code 53)	699,391
Division L: Professional, Scientific, and Technical Services (NAICS Code 54)	1,566,364
Division M: Management of Companies and Enterprises (NAICS Code 55)	33,487
Division N: Administrative, Support, Waste Management and Remediation, Services (NAICS Code 56)	486,810
Division O: Educational Services (NAICS Code 61)	318,092
Division P: Health Care and Social Assistance (NAICS Code 62)	4,617,646
Division Q: Arts, Entertainment and Recreation (NAICS Code 71)	278,269
Division R: Accommodation and Food Services (NAICS Code 72)	958,792
Division S: Other Services (except Public Administration) (NAICS Code 81)	1,685,675
Division T: Public Administration (NAICS Code 92)	413,070
Division U: Non-Classified (NAICS Code 99)	1,024,683

## Business Counts by Industry – SIC

BUSINESS COUNTS BY INDUSTRY – SIC	
CATEGORY & DESCRIPTION	2023 Q4 COUNT
Division A: Agriculture, Forestry, and Fishing (SIC Codes 01, 02, 07, 08, 09)	300,382
Division B: Mining (SIC Codes 10, 12, 13, 14)	25,162
Division C: Construction (SIC Codes 15, 16, 17)	875,293
Division D: Manufacturing (SIC Codes 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39)	415,429
Division E: Transportation, Communications, Electric, Gas, and Sanitary Services (SIC Codes 40, 41, 42, 43, 44, 45, 46, 47, 48, 49)	535,865
Division F: Wholesale Trade (SIC Codes 50, 51)	410,922
Division G: Retail Trade (SIC Codes 52, 53, 54, 55, 56, 57, 58, 59)	2,629,702
Division H: Finance, Insurance, and Real Estate (SIC Codes 60, 61, 62, 63, 64, 65, 67)	1,752,278
Division I: Services (SIC Codes 70, 72, 73, 75, 76, 78, 79, 80, 81, 82, 83, 84, 86, 87, 89)	9,060,484
Division J: Public Administration (SIC Codes 91, 92, 93, 94, 95, 96, 97, 99)	1,441,259

## Other Database Counts

OTHER DATABASE COUNTS	
VARIABLE / STATISTIC	2023 Q4 COUNT
Primary Contact (Contact_1_Name)	11,894,622
Total Contacts (Contacts 1+2+3+4+5)	17,360,498
Total Businesses with <50 Employees	14,875,921

## METHODOLOGY

### Overview

Because of the formation of new businesses, entities going out of business and changes to existing businesses, the database must be continually maintained to keep the information up-to-date. Information in the database is compiled in two phases:

First, Data Axle, Inc. compiles data from over 4,300 yellow page telephone directories and over 350 new business sources such as Chamber of Commerce directories, county courthouses and public record notices. Through these sources and additional processing, Data Axle, Inc. typically gathers base-level information including:

- Business Name

- Street Address, City & State
- Phone Number
- Line of Business (Yellow Page Classification, NAICS and SIC Code)
- Product Brands Sold, Franchises & Professional Specialties
- Yellow Page Advertisement Size
- Postal Information such as ZIP Code, ZIP+4 & Carrier Route
- County Code, Population Code & Metropolitan Statistical Area Code (MSA)
- Year Established

Second, Data Axle, Inc. calls each business to verify the information and to obtain additional information. Below are some of the data elements gathered during telephone verification:

- Contact Names at that Location, Title Codes, and Email Addresses
- Number of Employees
- Primary Business Activity (NAICS and SIC Code)
- Physical and Mailing Address Information
- Multiple Executives
- Toll-Free Number and Fax Number
- Web Address

Data Axle, Inc. has devoted significant time and resources to the creation, maintenance and enhancement of its proprietary database and related applications software. The database requires sophisticated processes to handle compilation, order processing, accounting, storage, sorting, and quality assurance. The system must allow a sizable work force to compile, program and process data simultaneously. More than 7,500 proprietary software programs operate the data compilation and enhancement processes.

Proprietary data compilation software allows Data Axle, Inc. data entry associates to access the database and update, change or verify approximately 2 million business listings every month. A separate quality assurance group checks input quality to confirm the information is 99% verified from the original source. The company also uses state-of-the-art telephony software that greatly improves the accuracy of the verification process.

Proprietary software has been developed to check the database for incorrect spelling, abbreviations, and phone prefixes and to eliminate any inappropriate language from the database.

### **Enhancement of Data Axle, Inc. File by Claritas**

All the data compilation, validation, and verification techniques outlined above result in a robust, thorough base file for use in creating the Claritas Business-Facts® database. The Business-Facts® database is updated and released quarterly, incorporating regular updates from Data Axle, Inc. Furthermore, each Business-Facts record is flagged as to whether it is a record without change (ownership, contact name, geography codes, employment, and sales franchise codes) or new to the database.

When the Data Axle, Inc. base file is delivered to Claritas, additional enhancements are made to improve matching capabilities and provide greater integration into a range of applications. For instance, point/geocodes (latitude, longitude, census tract, etc.) remain incomplete when Claritas

receives the data. The database development team at Claritas adds value to the business data by populating fields that are left empty by Data Axle, Inc., providing point-standardized business names and addresses. Below are descriptions of the most significant enhancements made by Claritas to the Data Axle, Inc. base file in the creation of Business-Facts:

- Claritas appends latitude and longitude coordinates to any business establishment records provided in the Data Axle, Inc. base file that are missing this information. In addition, tract and block group assignments are made using a point-in-polygon routine.
- Data Axle, Inc. provides local employment figures for approximately 80 percent of US businesses. From this actual employment information, the Claritas employment model estimates a “most likely” number of employees for the remaining 20 percent of US businesses.

## Claritas Business-Facts and NAICS

The Bureau of Labor Statistics of the U.S. Department of Labor implemented the North American Industrial Classification System (NAICS). The six-digit NAICS code is intended to replace the four-digit SIC (whose origin dates to the 1930’s) and offers a better picture of the structure of twenty-first century economy. The NAICS system provides detailed information about many individual industries that were previously clustered together, and is updated every 5 years (in years ending in 2 or 7).

In some industries, NAICS lacks a very fine granularity that is often required for detailed marketing analysis. Data Axle, Inc. has added two additional digits to the NAICS code, which are included in the Business-Facts data. An example of this additional detail is below:

NAICS 722511 = Full-Service Restaurants  
NAICS 72251101 = Chow Mein & Chop Suey  
NAICS 72251102 = Box Lunches  
NAICS 72251103 = Chicken Dinners  
NAICS 72251104 = Chili Parlors

Similarly, Data Axle, Inc. applies the same extra two-digit philosophy for SIC codes. Both SIC and NAICS codes are currently available in the Business-Facts database. Please visit [www.census.gov](http://www.census.gov) for additional information on specific NAICS codes.

## Employee Count Data

Data Axle, Inc. supplies local employment figures for approximately 80 percent of records in the Business-Facts database. Claritas is able to use this information to model employee counts for the remaining 20 percent of records without employment figures. This model estimates a “most likely” number of employees for these records.

The primary determinant for achieving the objective of a “most likely” number of employees is the distribution of businesses by size range. The starting point is a cross-tab detailing the number of businesses and the number of employees for each SIC code by the following size ranges: 1-4, 5-9, 10-19, 20-99, 100-499, 500-999, 1000-4999, 5000+. Depending on the percentage distribution of

employment within a SIC code group, the industry is included in the appropriate strata for estimation purposes.

Secondly, if the SIC has a propensity to have large businesses, little or no modeling will be done in the SIC, since the actual number of employees will be present in largest employers' records.

Although it is difficult to predict the absolute effect on the Business-Facts file of modeling employee counts on the number of total employees, preliminary estimates suggest that this model will increase the number of employees by five to seven percent. If so, the outputs from this model will increase the overall number of employees in the Business-Facts database by roughly one million or .008%. It is important to remember that this model is only applied to records where no actual employment figure exists. And its use, moreover, provides users of the Business-Facts database with better coverage and more information for modeling and other analytical applications.

## Sales Volume Data

Data Axle, Inc. provides actual sales information only for publicly held companies. Therefore, sales figures for all other companies must be estimated. The Data Axle, Inc. model uses aggregated sales divided by the aggregated number of employees by SIC to arrive at sales per employee. Location sales volume is available on the majority of the records that have a location employment figure. Because verifiable sales volume figures are virtually impossible to obtain from private businesses, Data Axle, Inc. has developed a model that estimates the sales volume for the company. Data Axle, Inc. uses the U.S. Government Department of Commerce supplied data on sales per employee for each 4-digit SIC code. This figure is multiplied by the number of employees at each location to arrive at a reliable estimate of a company's annual sales. As with the employment information, Claritas clients will benefit from the combined actual/modeled sales data with better coverage and more information for modeling and other analytical applications.

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## TECHNICAL SUPPORT

If you need further assistance, not provided in the release notes, please contact the Claritas Solution Center between 9:00 a.m. and 8:00 p.m. (Monday through Friday, EST) at 800.866.6511.

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## LEGAL NOTIFICATIONS

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