

Industries

An “industry” is one group within a classification scheme designed to describe the economy. Exactly how this classification scheme is organized is not set in stone. It is fluid and anyone can design a classification system as they see fit. However, there is usually broad agreement on the following points.

Each firm and its closest competitors are viewed as an industry. They compete directly to supply the public with a specific good or service. Those firms and industries that do not compete directly, but that are very closely related are considered to comprise a sector. Sectors are broader than industries, and they are usually viewed as the last classification before a person begins to speak of the economy in general.

In other words, the economy is made up of sectors; the sectors are made up of industries; and the industries are made up of companies.

Vershire Research uses a classification system that divides the economy into 12 different sectors. Those sectors are then divided into 102 different industries. These industries have about 2,000 companies.

Sector	Industries
Basic Materials	11
Capital Goods	7
Conglomerates	1
Consumer Cyclical	12
Consumer Non-Cyclical	8
Energy	4
Financial	10
Health Care	4
Services	25
Technology	11
Transportation	6
Utilities	3
Total Number of Industries	102