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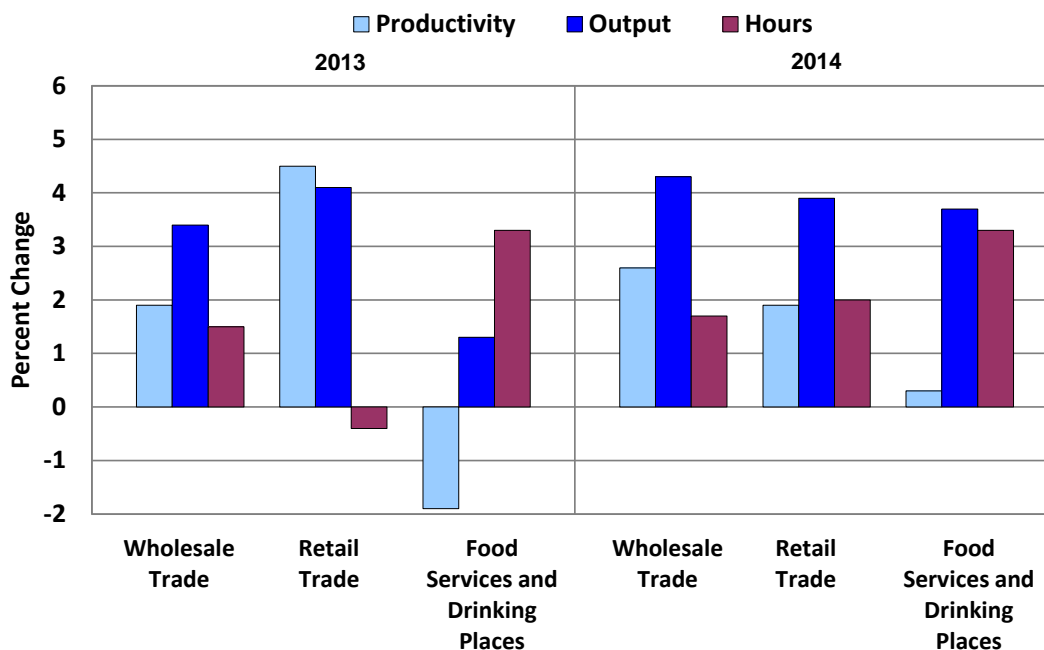
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**PRODUCTIVITY AND COSTS BY INDUSTRY: WHOLESALE TRADE,
RETAIL TRADE, AND FOOD SERVICES AND DRINKING PLACES INDUSTRIES, 2014**

Labor productivity – defined as output per hour – rose 2.6 percent in wholesale trade, 1.9 percent in retail trade, and 0.3 percent in food services and drinking places in 2014, the U.S. Bureau of Labor Statistics reported today. **Unit labor costs**, which reflect the total labor costs required to produce a unit of output, also rose in all three sectors.

Productivity in wholesale trade rose faster in 2014 than in 2013. Both output and hours increased at a higher rate than the previous year. In retail trade, output rose at a slightly slower rate and hours increased after falling the previous year, leading to a smaller productivity rise than in 2013. The productivity increase in food services and drinking places in 2014 resulted from an increase in output that exceeded that of hours.

Chart 1. Annual percent change in labor productivity, output, and hours, 2013 and 2014



Labor Productivity Trends in 2014

Productivity increased in 30 of the 49 detailed 4-digit NAICS industries studied in 2014. Both output and hours grew in 42 industries. Unit labor costs fell in 18 industries in 2014.

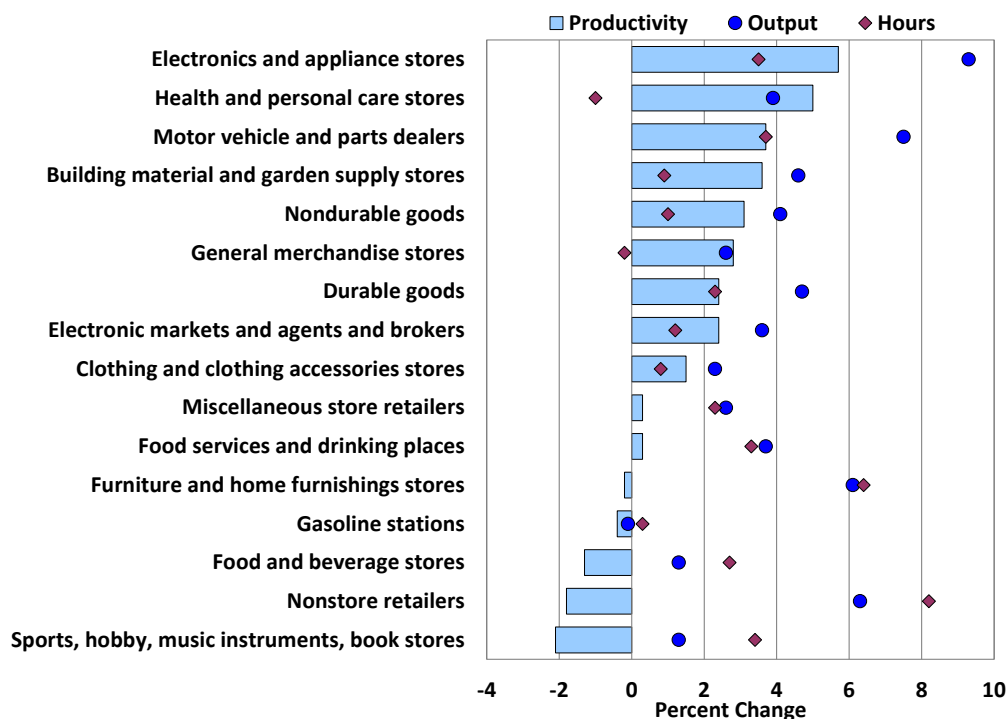
In **wholesale trade**, productivity rose 2.6 percent as output grew 4.3 percent and hours increased 1.7 percent. Productivity grew 2.4 percent in durable goods wholesalers and 3.1 percent in nondurable goods wholesalers. Productivity increased in 16 of the 19 detailed wholesale trade industries, while output rose in 17 industries and hours grew in 18. Productivity increased most rapidly in apparel and piece goods and druggists' goods, as output rose substantially in each. Unit labor costs declined in eight industries.

In **retail trade**, productivity grew 1.9 percent, as output rose 3.9 percent and hours rose 2.0 percent. Productivity increased in 13 of the 27 detailed retail trade industries, as output grew in 22 industries and hours rose in 21. The largest productivity increases were in beer, wine, and liquor stores and electronics and appliance stores. Output increased strongly in both of these industries. Unit labor costs fell in nine industries.

In **food services and drinking places**, productivity rose 0.3 percent, as output grew 3.7 percent and hours rose 3.3 percent. Output and hours rose in all three of the detailed industries in this sector, while only restaurants and other eating places recorded an increase in productivity. Unit labor costs rose in two of the industries.

Productivity increased in 11 of the 16 3-digit NAICS industries studied in 2014. Productivity gains of at least 5 percent occurred in 2 industries where output increased strongly: electronics and appliance stores and health and personal care stores.

Chart 2: Percent change in labor productivity, output, and hours in wholesale trade, retail trade, and food services and drinking places industries, 2014



Unit labor costs fell in 5 out of 16 3-digit NAICS industries in 2014. All unit labor cost declines occurred in industries where productivity rose. Conversely, each of the industries where productivity fell also recorded an increase in unit labor costs. Labor compensation rose in 2014 in all 16 industries.

Chart 3. Percent change in labor productivity and unit labor costs in wholesale trade, retail trade, and food services and drinking places industries, 2014

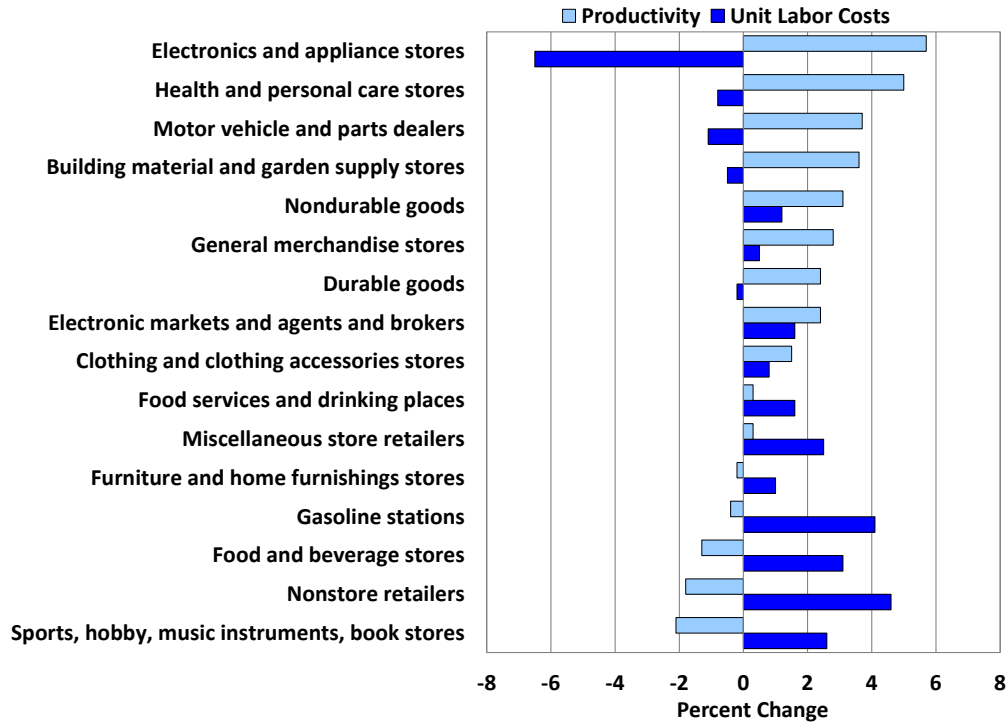
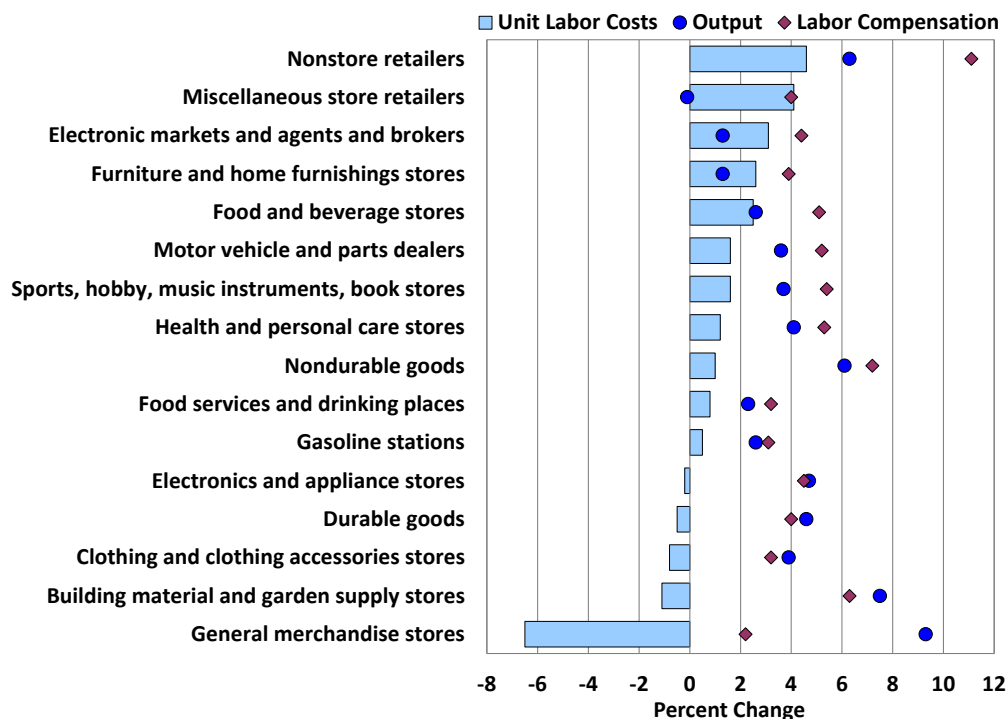
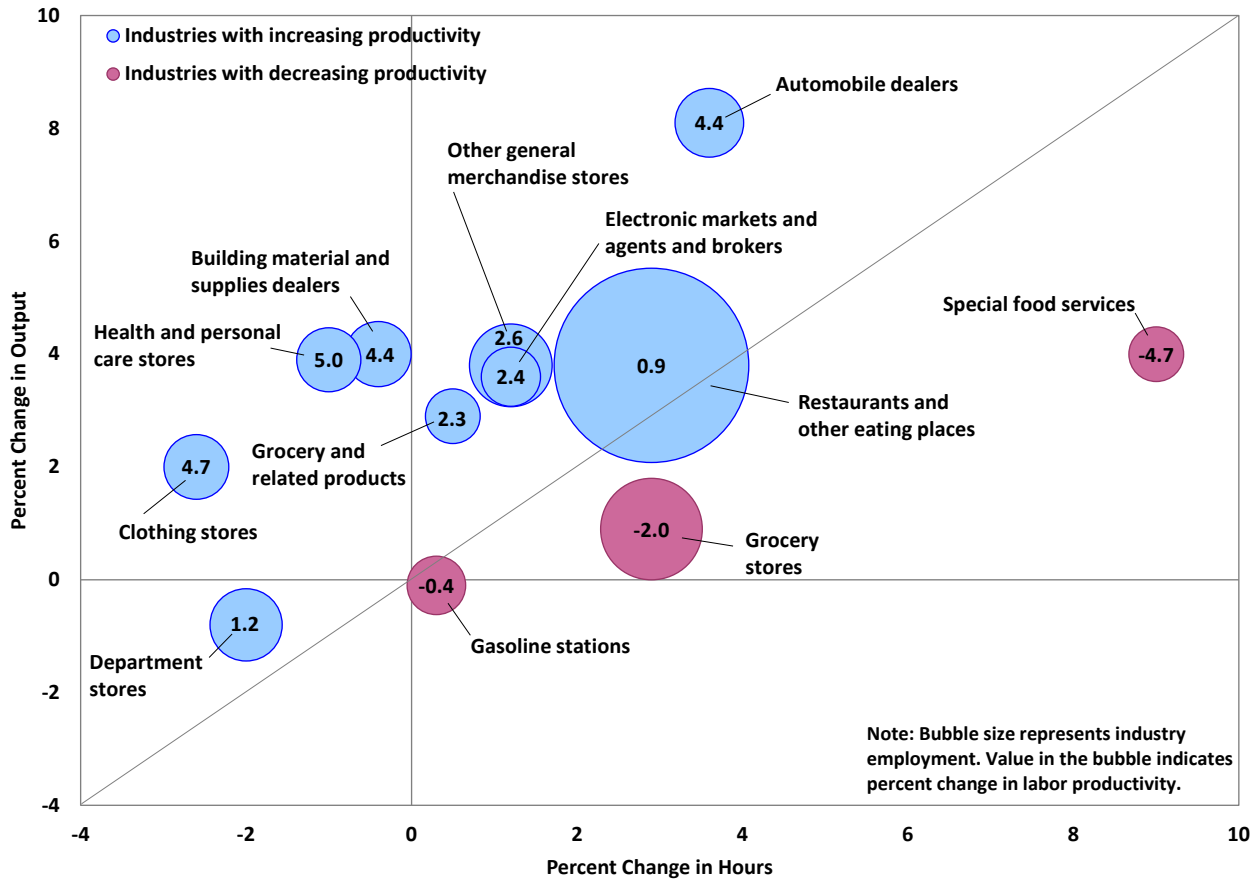


Chart 4. Percent change in labor compensation, output, and unit labor costs in wholesale trade, retail trade, and food services and drinking places industries, 2014



Of the 12 largest detailed wholesale trade, retail trade, and food services and drinking places industries, ranked by employment size, output rose in 10 industries and hours rose in 8. Productivity growth was greatest in health and personal care stores, where output grew and hours declined. Productivity fell the most in special food services, where strong growth in hours outpaced the increase in output.

Chart 5. Percent change in labor productivity, output, and hours in the largest (by employment) wholesale trade, retail trade, and food services and drinking places industries, 2014



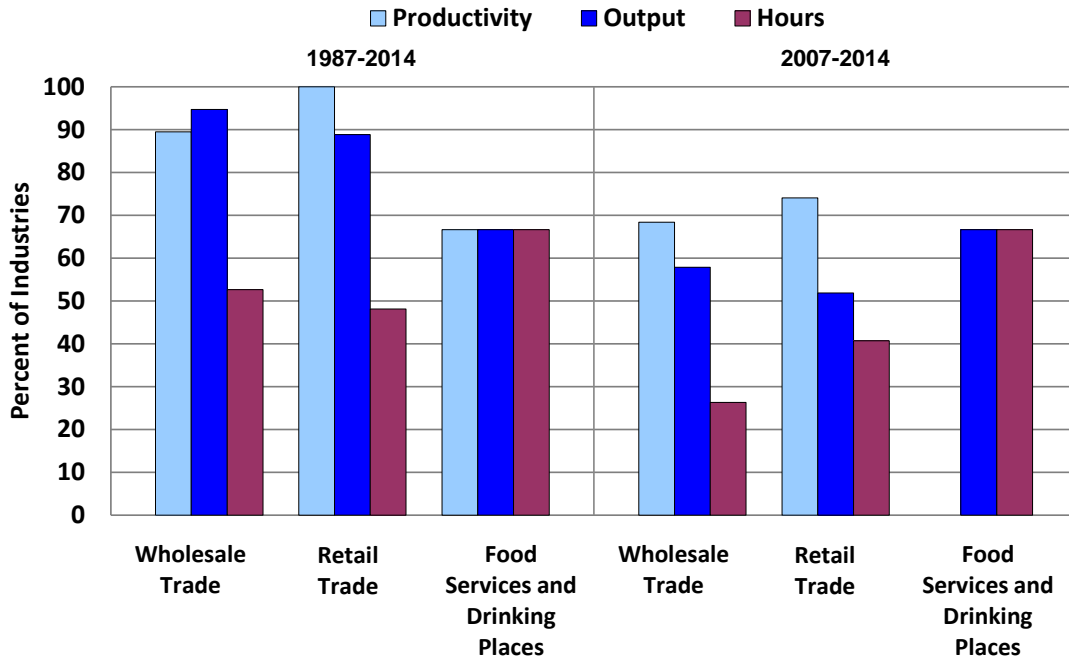
Labor Productivity Trends in Selected Time Periods

From 1987 to 2014, productivity increased at an average annual rate of 3.1 percent in wholesale trade, 2.8 percent in retail trade, and 0.4 percent in food services and drinking places. Unit labor costs rose in wholesale trade and in food services and drinking places, and were unchanged in retail trade from 1987 to 2014. (See Table 2 and Chart 6.)

Among the detailed 4-digit NAICS industries, productivity rose in approximately 89 percent of wholesale trade industries, 100 percent of retail trade industries, and 67 percent of food services and drinking places industries from 1987 to 2014. Median productivity growth among these industries was 2.2 percent per year. Productivity growth over the long term was associated with rising output in many industries, while hours increased in slightly more than half.

Productivity also increased in about two-thirds of the detailed industries studied between 2007 and 2014, despite the fact that the period encompassed a recession. However, only 55 percent of the industries saw increases in output, while 37 percent experienced growth in hours.

Chart 6. Percent of industries with increases in labor productivity, output, and hours, 1987-2014, 2007-2014



Additional Information

The trade and food services and drinking places measures in this release incorporate preliminary data from the Census Bureau's Annual Wholesale Trade Report (February 2015), Monthly Wholesale Trade Survey (May 2015), Annual Retail Trade Survey (March 2015), and the Annual Revision of the Monthly Retail and Food Services: Sales and Inventories (May 2015), as well as data from the Census Bureau's Nonemployer Statistics (May 2015). The labor productivity and output series for all industries have been revised for 2013 and earlier years as a result. This news release also incorporates the annual benchmark revision of the BLS Current Employment Statistics (CES) survey published in February 2015. In addition, the unit labor cost measures incorporate preliminary data from the BLS Quarterly Census of Employment and Wages (June 2015). All of the measures for 2014 in this release are preliminary and subject to revision.

For the first time, the industries included in this news release are classified according to the 2012 NAICS. Indexes have been rebased from 2002=100 to 2007=100 starting with this release. While the rates of change reported by BLS in this release are rounded to one decimal place, all percent changes are calculated using index numbers rounded to three decimal places.

Year-to-year movements in industry productivity may be erratic, particularly in smaller industries. The annual measures based on sample data may differ from measures generated by a census of establishments in the industry. Annual changes in an industry's output and use of labor may reflect cyclical changes in the economy as well as long-term trends. As a result, long-term productivity trends tend to be more reliable indicators of industry performance than year-to-year changes.

Want to know more?

Find more detailed data at www.bls.gov/lpc for:

- Additional industries and sectors
- Additional data series: indexes of productivity and related measures; rates of change; and levels of industry employment, hours, nominal value of production, and labor compensation.
- Additional years and long term data

Questions?

Additional information can be obtained by calling the industry productivity program (202) 691-5618 or by sending a message via <http://data.bls.gov/cgi-bin/forms/ips?/lpc/contact.htm>
Information in this report will be made available to sensory-impaired individuals upon request.
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Technical Note

Labor Productivity: The industry labor productivity measures describe the relationship between industry output and the labor time involved in its production. They show the changes from period to period in the amount of goods and services produced per hour. Although the labor productivity measures relate output to hours of all persons in an industry, they do not measure the specific contribution of labor or any other factor of production. Rather, they reflect the joint effects of many influences, including: changes in technology; capital investment; utilization of capacity, energy, and materials; the use of purchased services inputs, including contract employment services; the organization of production; the characteristics and effort of the workforce; and managerial skill.

Output: Industry output is measured as an annual-weighted index of the changes in the various products or services (in real terms) provided for sale outside the industry. Real industry output for data in this release is derived by deflating nominal sales or values of production using BLS price indexes. Industry output measures are constructed primarily using data from the economic censuses and annual surveys of the U.S. Census Bureau, U.S. Department of Commerce, together with information on price changes primarily from BLS.

Labor Hours: Labor hours reflect annual hours worked by all employed persons in an industry. Data on industry employment and hours come primarily from the BLS Current Employment Statistics (CES) survey and the Current Population Survey (CPS). CES data on the number of total and nonsupervisory worker jobs held by wage and salary workers in nonfarm establishments are supplemented with CPS self-employed and unpaid family worker data to estimate industry employment. Hours worked estimates are derived using CES and CPS employment, CES data on average weekly hours paid of nonsupervisory workers, CPS data on hours of supervisory, self-employed, and unpaid family workers, and ratios of hours-worked to hours-paid based on data from the BLS National Compensation Survey (NCS). For some industries, employment and hours data are supplemented or further disaggregated using data from the BLS Quarterly Census of Employment and Wages (QCEW), the Census Bureau, or other sources. Hours worked are estimated separately for different types of workers and then are directly aggregated; no adjustments for labor composition are made.

Unit Labor Costs: Unit labor costs represent the cost of labor required to produce one unit of output. The unit labor cost indexes are computed by dividing an index of nominal labor compensation by an index of real industry output. Unit labor costs also describe the relationship between compensation per hour and real output per hour (labor productivity). Increases in hourly compensation increase unit labor costs; increases in labor productivity offset hourly compensation increases and lower unit labor costs.

Labor Compensation: Labor compensation, defined as payroll plus supplemental payments, is a measure of the cost to the employer of securing the services of labor. Payroll includes salaries, wages, commissions, dismissal pay, bonuses, vacation and sick leave pay, and compensation in kind. Supplemental payments include both legally required expenditures and payments for voluntary programs. The legally required portion consists primarily of Federal old age and survivors' insurance, unemployment compensation, and workers' compensation. Payments for voluntary programs include all programs not specifically required by legislation, such as the employer portion of private health insurance and pension plans. Industry compensation measures are constructed primarily using data from the BLS QCEW and the economic censuses of the Census Bureau, U.S. Department of Commerce.

Table 1. Percent change in labor productivity, unit labor costs, and related data, 2013-2014

Industry	2012 NAICS code	2014 Employment (thousands)	Percent change, 2013-2014				
			Labor productivity	Output	Hours	Labor compensation	Unit labor costs
Wholesale Trade							
Wholesale trade.....	42	5,983.0	2.6	4.3	1.7	4.9	0.5
Durable goods.....	423	2,986.5	2.4	4.7	2.3	4.5	-0.2
Motor vehicles and parts.....	4231	337.7	2.6	3.0	0.4	8.4	5.2
Furniture and furnishings.....	4232	104.0	0.7	3.3	2.6	3.2	-0.1
Lumber and construction supplies.....	4233	203.9	1.4	1.8	0.4	5.8	3.9
Commercial equipment.....	4234	636.5	3.1	5.4	2.2	3.8	-1.5
Metals and minerals.....	4235	129.2	2.7	8.6	5.7	7.0	-1.4
Appliances and electric goods.....	4236	327.5	1.8	7.9	6.0	3.9	-3.7
Hardware and plumbing.....	4237	238.7	1.1	3.2	2.0	3.9	0.7
Machinery and supplies.....	4238	685.2	3.6	6.1	2.4	4.9	-1.2
Miscellaneous durable goods.....	4239	323.8	-1.5	-1.4	0.1	2.0	3.4
Nondurable goods.....	424	2,090.2	3.1	4.1	1.0	5.3	1.2
Paper and paper products.....	4241	125.7	2.4	3.7	1.3	2.8	-0.9
Druggists' goods.....	4242	196.1	6.6	7.0	0.3	9.2	2.1
Apparel and piece goods.....	4243	151.4	9.7	8.4	-1.2	1.9	-6.0
Grocery and related products.....	4244	773.2	2.3	2.9	0.5	6.0	3.1
Farm product raw materials.....	4245	81.7	6.2	11.7	5.1	-0.4	-10.8
Chemicals.....	4246	132.8	3.1	4.9	1.8	5.8	0.9
Petroleum.....	4247	100.9	-3.6	2.5	6.3	6.7	4.1
Alcoholic beverages.....	4248	187.1	2.0	2.1	0.1	5.2	3.0
Miscellaneous nondurable goods.....	4249	341.3	-2.1	-1.5	0.7	2.9	4.5
Electronic markets and agents and brokers.....	425	906.3	2.4	3.6	1.2	5.2	1.6
Electronic markets and agents and brokers.....	4251	906.3	2.4	3.6	1.2	5.2	1.6
Retail Trade							
Retail trade.....	44-45	16,196.5	1.9	3.9	2.0	4.8	0.8
Motor vehicle and parts dealers.....	441	1,921.7	3.7	7.5	3.7	6.3	-1.1
Automobile dealers.....	4411	1,219.2	4.4	8.1	3.6	7.4	-0.6
Other motor vehicle dealers.....	4412	143.0	3.8	8.4	4.5	5.3	-2.8
Auto parts, accessories, and tire stores.....	4413	559.5	-2.4	1.1	3.6	2.9	1.8
Furniture and home furnishings stores.....	442	491.2	-0.2	6.1	6.4	7.2	1.0
Furniture stores.....	4421	229.5	1.7	7.5	5.8	6.5	-1.0
Home furnishings stores.....	4422	261.7	-2.4	4.5	7.0	8.0	3.3
Electronics and appliance stores.....	443	516.2	5.7	9.3	3.5	2.2	-6.5
Electronics and appliance stores.....	4431	516.2	5.7	9.3	3.5	2.2	-6.5
Building material and garden supply stores.....	444	1,278.5	3.6	4.6	0.9	4.0	-0.5
Building material and supplies dealers.....	4441	1,106.9	4.4	4.0	-0.4	2.9	-1.1
Lawn and garden equipment and supplies stores.....	4442	171.6	-1.1	8.1	9.4	12.5	4.0
Food and beverage stores.....	445	3,090.1	-1.3	1.3	2.7	4.4	3.1
Grocery stores.....	4451	2,671.6	-2.0	0.9	2.9	4.4	3.5
Specialty food stores.....	4452	255.4	3.0	6.7	3.5	7.3	0.6
Beer, wine and liquor stores.....	4453	163.1	6.7	3.7	-2.9	-0.2	-3.8
Health and personal care stores.....	446	1,065.7	5.0	3.9	-1.0	3.2	-0.8
Health and personal care stores.....	4461	1,065.7	5.0	3.9	-1.0	3.2	-0.8
Gasoline stations.....	447	889.6	-0.4	-0.1	0.3	4.0	4.1
Gasoline stations.....	4471	889.6	-0.4	-0.1	0.3	4.0	4.1
Clothing and clothing accessories stores.....	448	1,468.9	1.5	2.3	0.8	3.2	0.8
Clothing stores.....	4481	1,079.9	4.7	2.0	-2.6	1.4	-0.6
Shoe stores.....	4482	206.2	-7.2	2.9	10.8	5.4	2.4
Jewelry, luggage, and leather goods stores.....	4483	182.8	-2.9	3.4	6.5	7.9	4.4
Sports, hobby, music instruments, book stores.....	451	676.4	-2.1	1.3	3.4	3.9	2.6
Sporting goods and musical instrument stores.....	4511	578.3	-1.0	1.7	2.7	4.6	2.8
Book stores and news dealers.....	4512	98.1	-8.2	-1.0	7.8	0.0	1.0

Table 1. Percent change in labor productivity, unit labor costs, and related data, 2013-2014 — Continued

Industry	2012 NAICS code	2014 Employment (thousands)	Percent change, 2013-2014				
			Labor productivity	Output	Hours	Labor compensation	Unit labor costs
General merchandise stores.....	452	3,123.5	2.8	2.6	-0.2	3.1	0.5
Department stores.....	4521	1,349.5	1.2	-0.8	-2.0	1.1	2.0
Other general merchandise stores.....	4529	1,774.0	2.6	3.8	1.2	4.4	0.6
Miscellaneous store retailers.....	453	976.4	0.3	2.6	2.3	5.1	2.5
Florists.....	4531	88.7	-11.7	4.4	18.2	14.0	9.2
Office supplies, stationery and gift stores.....	4532	307.9	3.7	0.9	-2.7	-1.9	-2.8
Used merchandise stores.....	4533	219.6	2.8	4.0	1.2	6.9	2.8
Other miscellaneous store retailers.....	4539	360.2	-0.5	3.0	3.4	8.3	5.2
Nonstore retailers.....	454	698.3	-1.8	6.3	8.2	11.1	4.6
Electronic shopping and mail-order houses.....	4541	387.6	-1.3	8.5	9.9	15.3	6.3
Vending machine operators.....	4542	46.9	-6.8	-1.7	5.5	3.6	5.4
Direct selling establishments.....	4543	263.8	-8.2	-2.7	6.1	4.1	6.9
Food Services and Drinking Places							
Food services and drinking places.....	722	10,932.9	0.3	3.7	3.3	5.4	1.6
Special food services.....	7223	774.1	-4.7	4.0	9.0	2.3	-1.6
Drinking places, alcoholic beverages.....	7224	371.3	0.0	1.3	1.4	3.6	2.2
Restaurants and other eating places.....	7225	9,787.5	0.9	3.8	2.9	5.8	2.0
Restaurants and other eating places.....	72251	9,787.5	0.9	3.8	2.9	5.8	2.0
Full-service restaurants.....	722511	5,091.1	2.5	4.9	2.4	5.8	0.9
Limited-service eating places.....	722513,4,5	4,696.4	-0.8	2.6	3.4	5.8	3.0

Table 2. Average annual percent change in labor productivity, unit labor costs, and related data, 1987-2014

Industry	2012 NAICS code	Average annual percent change, 1987-2014				
		Labor productivity	Output	Hours	Labor compensation	Unit labor costs
Wholesale Trade						
Wholesale trade.....	42	3.1	3.5	0.3	4.2	0.7
Durable goods.....	423	4.9	4.9	0.0	4.1	-0.8
Motor vehicles and parts.....	4231	3.9	3.5	-0.4	3.5	0.0
Furniture and furnishings.....	4232	2.1	1.6	-0.5	3.7	2.0
Lumber and construction supplies.....	4233	1.4	1.5	0.1	2.8	1.3
Commercial equipment.....	4234	12.7	12.9	0.2	4.4	-7.5
Metals and minerals.....	4235	-0.2	0.1	0.3	3.7	3.7
Appliances and electric goods.....	4236	8.3	7.8	-0.5	4.2	-3.4
Hardware and plumbing.....	4237	1.8	2.3	0.5	4.2	1.8
Machinery and supplies.....	4238	2.3	2.3	0.0	4.2	1.8
Miscellaneous durable goods.....	4239	1.3	2.0	0.7	4.5	2.4
Nondurable goods.....	424	1.7	1.8	0.1	4.3	2.4
Paper and paper products.....	4241	1.3	0.6	-0.7	2.8	2.2
Druggists' goods.....	4242	4.1	5.2	1.1	8.2	2.8
Apparel and piece goods.....	4243	2.8	2.3	-0.4	3.2	0.9
Grocery and related products.....	4244	1.2	1.9	0.6	4.3	2.4
Farm product raw materials.....	4245	1.8	0.1	-1.6	3.9	3.8
Chemicals.....	4246	0.8	1.1	0.3	4.2	3.0
Petroleum.....	4247	2.8	1.2	-1.5	3.2	2.0
Alcoholic beverages.....	4248	-0.1	1.8	1.9	5.1	3.2
Miscellaneous nondurable goods.....	4249	0.3	-0.1	-0.4	3.0	3.1
Electronic markets and agents and brokers.....	425	0.7	3.0	2.3	4.7	1.7
Electronic markets and agents and brokers.....	4251	0.7	3.0	2.3	4.7	1.7
Retail Trade						
Retail trade.....	44-45	2.8	3.2	0.4	3.3	0.0
Motor vehicle and parts dealers.....	441	2.1	2.9	0.7	3.5	0.7
Automobile dealers.....	4411	2.2	2.9	0.7	3.6	0.6
Other motor vehicle dealers.....	4412	2.7	3.5	0.7	4.3	0.8
Auto parts, accessories, and tire stores.....	4413	1.0	1.8	0.8	3.2	1.3
Furniture and home furnishings stores.....	442	3.7	3.5	-0.2	2.6	-0.9
Furniture stores.....	4421	3.3	3.0	-0.3	2.3	-0.6
Home furnishings stores.....	4422	4.3	4.2	-0.2	2.9	-1.2
Electronics and appliance stores.....	443	11.3	12.1	0.7	3.3	-7.8
Electronics and appliance stores.....	4431	11.3	12.1	0.7	3.3	-7.8
Building material and garden supply stores.....	444	2.5	3.2	0.6	3.3	0.1
Building material and supplies dealers.....	4441	2.4	3.1	0.8	3.4	0.2
Lawn and garden equipment and supplies stores.....	4442	3.4	3.4	0.0	2.5	-0.9
Food and beverage stores.....	445	0.3	0.3	0.0	2.9	2.5
Grocery stores.....	4451	0.2	0.3	0.1	3.1	2.8
Specialty food stores.....	4452	0.2	-0.3	-0.5	1.8	2.1
Beer, wine and liquor stores.....	4453	2.2	1.2	-1.0	1.7	0.6
Health and personal care stores.....	446	2.2	3.2	1.0	4.6	1.3
Health and personal care stores.....	4461	2.2	3.2	1.0	4.6	1.3
Gasoline stations.....	447	1.5	1.0	-0.5	2.3	1.3
Gasoline stations.....	4471	1.5	1.0	-0.5	2.3	1.3
Clothing and clothing accessories stores.....	448	4.1	3.8	-0.3	2.7	-1.1
Clothing stores.....	4481	4.5	4.3	-0.2	2.8	-1.5
Shoe stores.....	4482	3.0	2.6	-0.4	1.9	-0.7
Jewelry, luggage, and leather goods stores.....	4483	3.2	2.8	-0.4	2.9	0.1
Sports, hobby, music instruments, book stores.....	451	3.5	4.0	0.4	3.3	-0.6
Sporting goods and musical instrument stores.....	4511	4.1	4.8	0.7	3.7	-1.1
Book stores and news dealers.....	4512	1.7	0.9	-0.9	1.7	0.9

Table 2. Average annual percent change in labor productivity, unit labor costs, and related data, 1987-2014 — Continued

Industry	2012 NAICS code	Average annual percent change, 1987-2014				
		Labor productivity	Output	Hours	Labor compensation	Unit labor costs
General merchandise stores.....	452	3.1	4.5	1.3	3.6	-0.9
Department stores.....	4521	0.7	1.0	0.3	1.8	0.8
Other general merchandise stores.....	4529	5.4	7.9	2.4	5.5	-2.3
Miscellaneous store retailers.....	453	3.2	3.2	-0.1	2.2	-1.0
Florists.....	4531	2.3	-0.1	-2.3	0.3	0.3
Office supplies, stationery and gift stores.....	4532	5.2	4.2	-1.0	1.6	-2.5
Used merchandise stores.....	4533	4.8	6.3	1.4	3.9	-2.2
Other miscellaneous store retailers.....	4539	1.1	2.2	1.1	2.5	0.3
Nonstore retailers.....	454	7.9	8.6	0.7	4.2	-4.1
Electronic shopping and mail-order houses.....	4541	9.9	14.2	3.9	8.1	-5.4
Vending machine operators.....	4542	0.2	-2.3	-2.6	0.5	3.0
Direct selling establishments.....	4543	2.3	0.9	-1.4	1.3	0.4
Food Services and Drinking Places						
Food services and drinking places.....	722	0.4	2.0	1.6	5.1	3.1
Special food services.....	7223	1.1	2.4	1.3	3.6	1.2
Drinking places, alcoholic beverages.....	7224	-0.3	-0.7	-0.3	2.6	3.2
Restaurants and other eating places.....	7225	0.4	2.2	1.8	5.5	3.3
Restaurants and other eating places.....	72251	0.4	2.2	1.8	5.5	3.3
Full-service restaurants.....	722511	0.5	2.2	1.7	5.9	3.7
Limited-service eating places.....	722513,4,5	0.3	2.1	1.9	5.0	2.8