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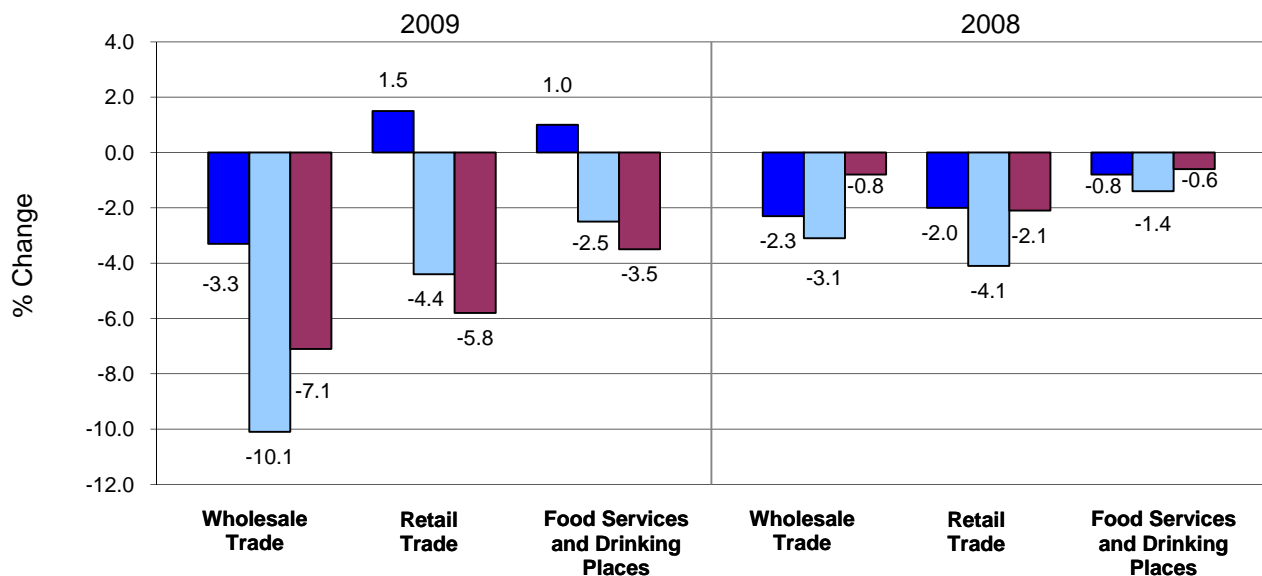
PRODUCTIVITY AND COSTS BY INDUSTRY: WHOLESALE TRADE, RETAIL TRADE, AND FOOD SERVICES AND DRINKING PLACES INDUSTRIES, 2009

Labor productivity – defined as output per hour – fell in wholesale trade, but rose in retail trade and in food services and drinking places, in 2009, the Bureau of Labor Statistics reported today. Productivity changes were as follows:

-3.3 percent in wholesale trade,
1.5 percent in retail trade, and
1.0 percent in food services and drinking places.

In comparison, labor productivity fell in each of the three sectors overall in 2008. However, both output and hours declined more rapidly in each of the sectors in 2009 than they did in 2008. (See chart 1.)

Chart 1. Percent change in output per hour, output, and hours, 2009 and 2008



■ Output per Hour ■ Output ■ Hours

Unit labor costs, which reflect the total labor costs required to produce a unit of output, declined in retail trade but rose in wholesale trade and food services and drinking places. By comparison, unit labor costs increased in each of the sectors in 2008.

Productivity rose in 2009 in nearly 60 percent of the 50 detailed industries studied. (See table 1.) This was higher than the 36 percent of detailed industries that recorded productivity increases the previous year. In 2009, productivity growth in most industries resulted from declines in hours that more than offset changes in output. Output grew in only 10 of the detailed industries in 2009, while hours declined in 47. In comparison, output grew in 14 industries and hours declined in 30 in 2008. In 2009, only a single industry – farm product raw materials wholesalers – registered productivity growth as a result of increases in both output and hours. Unit labor costs declined in 46 percent of the detailed industries in 2009, compared to 32 percent in 2008.

Wholesale trade

Labor productivity fell 3.3 percent as output declined 10.1 percent and hours fell 7.1 percent. Output per hour rose in eight of the 19 detailed wholesale trade industries in 2009, compared with five in 2008. Productivity fell sharply in motor vehicles and parts wholesalers and in machinery and supplies wholesalers. Output grew in two industries, while hours declined in 18. Unit labor costs declined in six industries in 2009.

Retail trade

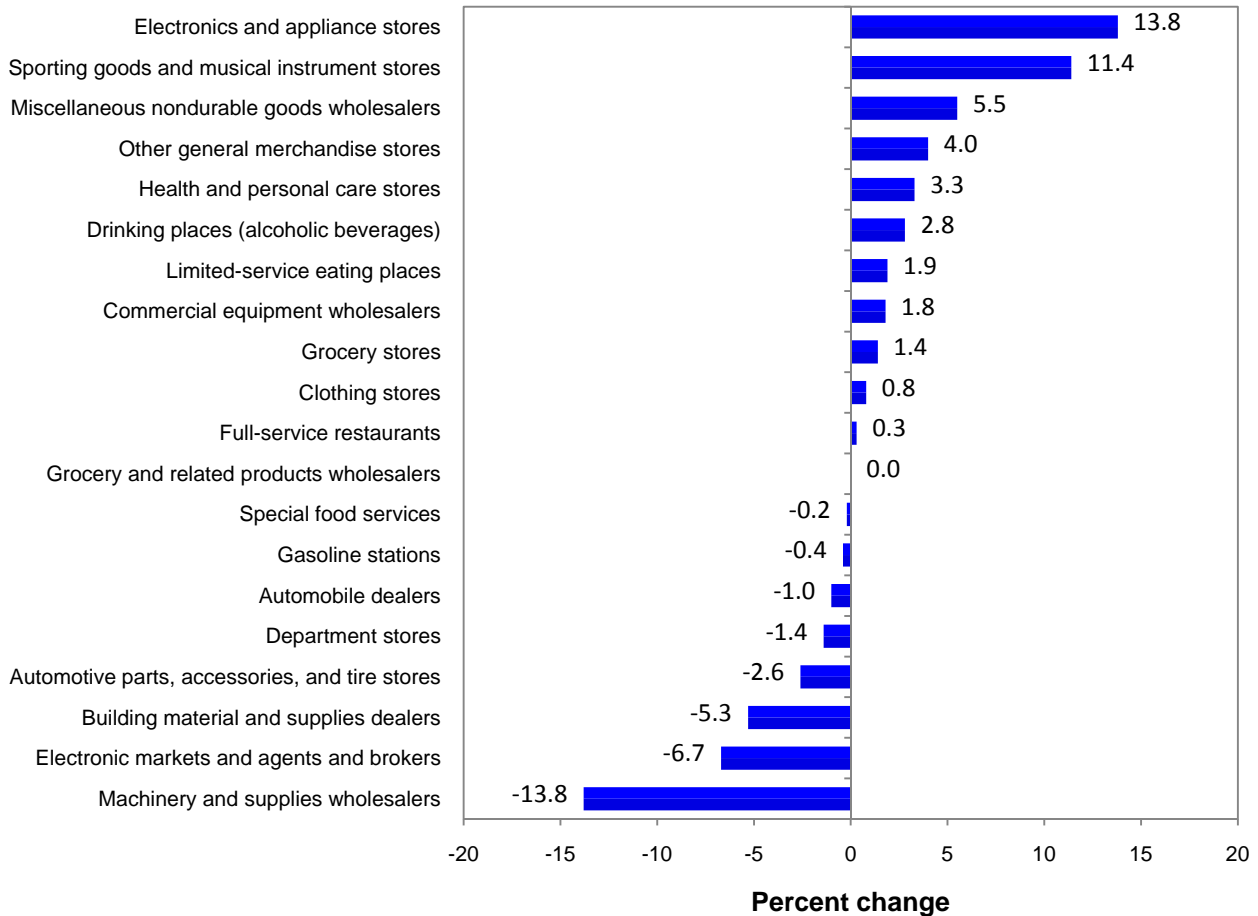
Labor productivity grew 1.5 percent while output and hours declined by 4.4 and 5.8 percent, respectively. Output per hour increased in 18 of the 27 detailed retail trade industries in 2009, compared with 12 in 2008. Output rose in eight industries while hours declined in 25 industries. Productivity increased most rapidly in florists, in other motor vehicle dealers, and in electronics and appliance stores, where hours fell sharply, as well as in specialty food stores where hours declined less rapidly. Unit labor costs fell in 16 industries.

Food services and drinking places

Labor productivity rose 1.0 percent as output fell 2.5 percent and hours declined by 3.5 percent. Output per hour increased in three of the four detailed food services and drinking places industries in 2009, an improvement over 2008, when productivity grew in only one industry. Output and hours fell in all the industries in 2009 and unit labor costs fell in one industry.

The chart below shows the change in productivity in the largest wholesale trade, retail trade, and food services and drinking places industries. Among these industries, electronics and appliance stores recorded the largest productivity increase and machinery and supplies wholesalers had the largest productivity decline.

Chart 2: Percent change in output per hour for the largest (by employment) trade and food services and drinking places industries, 2009



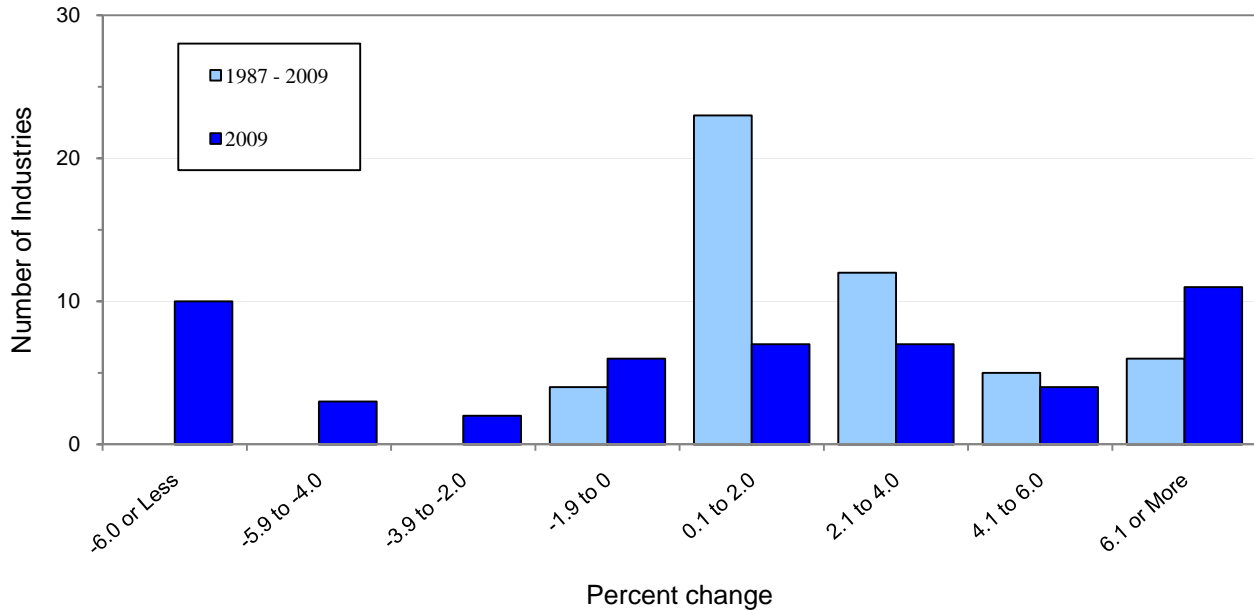
Over the longer term, 1987 – 2009, output per hour increased in wholesale trade, retail trade, and food services and drinking places at the following average annual rates:

- 2.6 percent in wholesale trade,
- 2.9 percent in retail trade, and
- 0.7 percent in food services and drinking places.

Output, hours, and unit labor costs also rose in all three sectors over the period. (See table 2.)

Between 1987 and 2009, productivity increased in 46 of the 50 detailed industries and unit labor costs fell in 17. Chart 3 compares the distribution of average annual percent changes in labor productivity between 1987 and 2009 with the distribution of changes in 2009 for 50 industries in wholesale trade, retail trade, and food services and drinking places.

Chart 3. Distribution of annual percent changes in output per hour, 1987-2009 and 2009



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.

Industry labor productivity measures are updated as data become available. Productivity data through 2008 for industries in mining, manufacturing, and services were last published on July 9, 2010 and can be found on the BLS Labor Productivity and Costs web site at www.bls.gov/lpc.

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; managerial skill; and the characteristics and effort of the workforce.

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. Real industry output is derived by deflating nominal sales 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. The measures in this news release incorporate current data from the Census Bureau's Annual Wholesale Trade Report (March 2010), Monthly Wholesale Trade Survey (May 2010), Annual Retail Trade Survey (March 2010), and the Annual Revision of the Monthly Retail and Food Services: Sales and Inventories (April 2010).

Labor Hours: The primary source of industry employment and hours data is the BLS Current Employment Statistics (CES) survey. The CES provides monthly data on the number of total and nonsupervisory worker jobs held by wage and salary workers in nonfarm establishments, as well as data on the average weekly hours of nonsupervisory workers in those establishments. Data from the Current Population Survey (CPS) are also used to supplement the CES data. CPS data are used to estimate employment and hours of self-employed and unpaid family workers in each industry. Data from the CPS, together with the CES data, are also used to estimate the historical average weekly hours of supervisory workers for each industry. Hours of all persons in an industry are treated as homogeneous and are directly aggregated.

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 industry 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 compensation increases and lower unit labor costs.

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 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.

Revisions: This news release incorporates preliminary data from the Census Bureau's 2007 Economic Census; the labor productivity and output series for some industries have been revised for 2008 and prior years as a result. This news release also incorporates the annual benchmark revision of the BLS Current

Employment Statistics (CES) survey published in February 2010. The industries included in this release are classified according to the 2007 NAICS. Since the last release of data for wholesale trade, retail trade, and food services and drinking places on August 28, 2009, the base year has been changed from 1997 to 2002 for all indexes. All of the measures for 2009 in this release are preliminary and subject to revision.

Additional Information: While the rates of change reported by BLS in this news release are rounded to one decimal place, all industry productivity percent changes are calculated using index numbers rounded to three decimal places.

Industry productivity and related indexes and rates of change can be accessed online by visiting the Labor Productivity and Costs web site at <http://www.bls.gov/lpc/>. Levels of industry employment, hours, labor compensation, value of production, and the implicit price deflator for output for these industries are available upon request by calling the Division of Industry Productivity Studies (202-691-5618) or by sending a request by e-mail to dipsweb@bls.gov. Information in this report will be made available to sensory-impaired individuals upon request. Voice phone: 202-691-5618; TDD message referral phone number: 1-800-877-8339.

To subscribe to the industry productivity program's electronic notification services, send an e-mail to dipsnews@bls.gov with the word "subscribe" in the subject line.

Table 1. Percent change in output per hour, output, hours, compensation, and unit labor costs, 2008-2009

NAICS code	Industry	2009 Employment (thousands)	Percent change, 2008-2009				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
Wholesale Trade							
42	Wholesale trade	5793	-3.3	-10.1	-7.1	-7.2	3.3
423	Durable goods	2919	-6.6	-15.1	-9.1	-10.2	5.8
4231	Motor vehicles and parts	327	-14.7	-21.6	-8.1	-9.5	15.5
4232	Furniture and furnishings	103	2.9	-16.6	-18.9	-18.9	-2.8
4233	Lumber and construction supplies	208	-8.4	-23.3	-16.2	-16.8	8.4
4234	Commercial equipment	634	1.8	-1.3	-3.1	-4.4	-3.1
4235	Metals and minerals	117	-11.0	-25.0	-15.7	-18.1	9.3
4236	Electric goods	332	2.3	-8.3	-10.4	-10.8	-2.7
4237	Hardware and plumbing	237	-8.9	-17.2	-9.1	-9.2	9.7
4238	Machinery and supplies	653	-13.8	-19.7	-6.8	-11.3	10.4
4239	Miscellaneous durable goods	307	-3.7	-16.2	-13.0	-14.6	1.8
424	Nondurable goods	2048	0.8	-4.6	-5.3	-3.0	1.6
4241	Paper and paper products	132	-1.3	-9.0	-7.7	-8.7	0.2
4242	Druggists' goods	205	8.8	-1.5	-9.5	-1.0	0.6
4243	Apparel and piece goods	142	4.4	-5.1	-9.2	-9.8	-4.9
4244	Grocery and related products	744	0.0	-4.7	-4.7	-0.6	4.3
4245	Farm product raw materials	76	8.3	10.0	1.6	5.3	-4.3
4246	Chemicals	126	-10.6	-13.7	-3.4	-6.1	8.7
4247	Petroleum	100	-5.6	-8.8	-3.4	-3.7	5.6
4248	Alcoholic beverages	164	2.2	-1.2	-3.4	-0.5	0.7
4249	Miscellaneous nondurable goods	359	5.5	0.2	-5.0	-5.3	-5.5
425	Electronic markets and agents and brokers	826	-6.7	-10.2	-3.7	-5.4	5.3
4251	Electronic markets and agents and brokers	826	-6.7	-10.2	-3.7	-5.4	5.3
Retail Trade							
44-45	Retail trade	15446	1.5	-4.4	-5.8	-5.0	-0.6
441	Motor vehicle and parts dealers	1707	-1.8	-12.1	-10.5	-12.2	-0.1
4411	Automobile dealers	1066	-1.0	-13.3	-12.4	-14.2	-1.1
4412	Other motor vehicle dealers	142	14.1	-7.6	-19.0	-19.6	-13.0
4413	Auto parts, accessories, and tire stores	499	-2.6	-5.9	-3.4	-2.1	4.0
442	Furniture and home furnishings stores	486	6.2	-10.9	-16.1	-14.8	-4.3
4421	Furniture stores	238	4.2	-10.4	-14.0	-14.6	-4.6
4422	Home furnishings stores	249	8.6	-11.5	-18.5	-15.0	-4.0
443	Electronics and appliance stores	511	13.8	0.5	-11.6	-10.9	-11.4
4431	Electronics and appliance stores	511	13.8	0.5	-11.6	-10.9	-11.4
444	Building material and garden supply stores	1211	-4.2	-11.6	-7.8	-7.4	4.8
4441	Building material and supplies dealers	1064	-5.3	-13.1	-8.2	-7.6	6.3
4442	Lawn and garden equipment and supplies stores	147	2.8	-2.1	-4.8	-6.1	-4.0
445	Food and beverage stores	2924	1.9	-1.1	-2.9	-1.4	-0.3
4451	Grocery stores	2527	1.4	-1.3	-2.7	-0.3	1.0
4452	Specialty food stores	240	13.9	8.8	-4.4	-8.6	-16.1
4453	Beer, wine and liquor stores	157	0.2	-2.5	-2.7	-6.0	-3.6
446	Health and personal care stores	1028	3.3	0.1	-3.1	1.6	1.6
4461	Health and personal care stores	1028	3.3	0.1	-3.1	1.6	1.6
447	Gasoline stations	842	-0.4	-3.2	-2.9	-0.5	2.9
4471	Gasoline stations	842	-0.4	-3.2	-2.9	-0.5	2.9
448	Clothing and clothing accessories stores	1467	-0.2	-4.6	-4.3	-6.9	-2.5
4481	Clothing stores	1103	0.8	-4.2	-5.0	-7.4	-3.3
4482	Shoe stores	184	-6.6	-5.4	1.2	-5.3	0.1
4483	Jewelry, luggage, and leather goods stores	180	0.7	-5.5	-6.2	-6.3	-0.8

Table 1. Percent change in output per hour, output, hours, compensation, and unit labor costs, 2008-2009

NAICS code	Industry	2009 Employment (thousands)	Percent change, 2008-2009				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
451	Sporting goods, hobby, book, and music stores	681	10.6	-1.1	-10.6	-5.8	-4.7
4511	Sporting goods and musical instrument stores	507	11.4	0.3	-10.0	-5.1	-5.3
4512	Book, periodical, and music stores	174	8.1	-5.2	-12.4	-7.8	-2.7
452	General merchandise stores	2971	2.6	-0.4	-2.9	0.7	1.1
4521	Department stores	1471	-1.4	-5.6	-4.3	-1.7	4.1
4529	Other general merchandise stores	1500	4.0	2.3	-1.6	3.0	0.7
453	Miscellaneous store retailers	969	-0.5	-6.4	-5.9	-3.6	3.0
4531	Florists	94	16.0	-3.5	-16.8	-13.6	-10.5
4532	Office supplies, stationery and gift stores	355	10.7	-0.9	-10.5	-7.0	-6.1
4533	Used merchandise stores	183	-4.9	1.4	6.7	11.3	9.7
4539	Other miscellaneous store retailers	337	-8.4	-11.8	-3.7	-3.3	9.7
454	Nonstore retailers	649	7.1	3.8	-3.1	-2.2	-5.8
4541	Electronic shopping and mail-order houses	300	5.2	4.6	-0.6	-1.3	-5.6
4542	Vending machine operators	55	-9.2	-11.3	-2.3	-10.8	0.5
4543	Direct selling establishments	294	10.5	3.2	-6.5	-1.8	-4.9
Food Services and Drinking Places							
722	Food services and drinking places	9648	1.0	-2.5	-3.5	-1.9	0.6
7221	Full-service restaurants	4518	0.3	-3.4	-3.6	-2.0	1.5
7222	Limited-service eating places	4120	1.9	-1.3	-3.1	-0.2	1.1
7223	Special food services	651	-0.2	-3.8	-3.6	-7.9	-4.3
7224	Drinking places, alcoholic beverages	360	2.8	-3.2	-5.8	-0.1	3.2

Table 2. Average annual percent change in output per hour, output, hours, compensation, and unit labor costs, 1987-2009

NAICS code	Industry	Average annual percent change, 1987-2009				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
Wholesale Trade						
42	Wholesale trade	2.6	2.9	0.3	4.3	1.3
423	Durable goods	4.4	4.4	0.0	4.1	-0.3
4231	Motor vehicles and parts	1.9	1.3	-0.6	3.2	1.9
4232	Furniture and furnishings	1.8	1.3	-0.5	3.7	2.3
4233	Lumber and construction supplies	0.6	0.9	0.3	2.8	1.8
4234	Commercial equipment	14.5	14.8	0.3	4.7	-8.8
4235	Metals and minerals	-1.3	-1.5	-0.3	3.7	5.2
4236	Electric goods	8.3	7.7	-0.5	4.3	-3.2
4237	Hardware and plumbing	1.1	1.7	0.6	4.4	2.7
4238	Machinery and supplies	1.6	1.4	-0.1	3.9	2.4
4239	Miscellaneous durable goods	1.0	1.6	0.6	4.7	3.1
424	Nondurable goods	1.0	1.1	0.1	4.5	3.4
4241	Paper and paper products	1.7	0.7	-1.0	3.1	2.4
4242	Druggists' goods	2.3	4.1	1.7	9.3	5.0
4243	Apparel and piece goods	2.9	2.3	-0.5	3.3	1.0
4244	Grocery and related products	0.7	1.5	0.7	4.5	3.0
4245	Farm product raw materials	1.4	-1.0	-2.4	4.0	5.1
4246	Chemicals	-0.2	0.3	0.5	4.2	3.9
4247	Petroleum	2.3	-0.1	-2.3	2.8	2.9
4248	Alcoholic beverages	0.3	1.9	1.6	5.0	3.0
4249	Miscellaneous nondurable goods	0.0	-0.2	-0.2	3.2	3.4
425	Electronic markets and agents and brokers	0.6	2.9	2.3	4.4	1.5
4251	Electronic markets and agents and brokers	0.6	2.9	2.3	4.4	1.5
Retail Trade						
44-45	Retail trade	2.9	3.3	0.3	3.3	0.1
441	Motor vehicle and parts dealers	1.8	2.1	0.2	3.0	0.9
4411	Automobile dealers	1.8	1.9	0.1	2.9	0.9
4412	Other motor vehicle dealers	3.2	4.1	0.8	4.4	0.3
4413	Auto parts, accessories, and tire stores	1.7	2.0	0.3	3.1	1.1
442	Furniture and home furnishings stores	3.8	3.3	-0.5	2.6	-0.7
4421	Furniture stores	3.2	2.8	-0.4	2.2	-0.6
4422	Home furnishings stores	4.6	4.0	-0.6	3.1	-0.9
443	Electronics and appliance stores	13.5	14.2	0.6	4.0	-9.0
4431	Electronics and appliance stores	13.5	14.2	0.6	4.0	-9.0
444	Building material and garden supply stores	2.5	3.4	0.9	3.6	0.2
4441	Building material and supplies dealers	2.2	3.3	1.1	3.8	0.4
4442	Lawn and garden equipment and supplies stores	4.3	3.5	-0.7	2.2	-1.3
445	Food and beverage stores	0.4	0.2	-0.2	3.1	3.0
4451	Grocery stores	0.2	0.1	-0.1	3.4	3.2
4452	Specialty food stores	0.5	-0.1	-0.5	1.6	1.7
4453	Beer, wine and liquor stores	2.0	0.7	-1.3	2.2	1.5
446	Health and personal care stores	2.5	3.7	1.2	5.2	1.5
4461	Health and personal care stores	2.5	3.7	1.2	5.2	1.5
447	Gasoline stations	1.9	1.0	-0.8	2.4	1.4
4471	Gasoline stations	1.9	1.0	-0.8	2.4	1.4
448	Clothing and clothing accessories stores	4.7	4.1	-0.5	2.7	-1.3
4481	Clothing stores	5.0	4.7	-0.4	3.0	-1.6
4482	Shoe stores	3.4	2.3	-1.1	1.5	-0.8
4483	Jewelry, luggage, and leather goods stores	3.9	3.2	-0.7	2.6	-0.6

Table 2. Average annual percent change in output per hour, output, hours, compensation, and unit labor costs, 1987-2009

NAICS code	Industry	Average annual percent change, 1987-2009				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
451	Sporting goods, hobby, book, and music stores	4.1	4.2	0.1	3.4	-0.8
4511	Sporting goods and musical instrument stores	4.8	5.1	0.3	3.6	-1.4
4512	Book, periodical, and music stores	2.5	2.1	-0.4	2.7	0.6
452	General merchandise stores	3.5	5.1	1.6	3.9	-1.2
4521	Department stores	0.7	1.7	1.0	2.5	0.7
4529	Other general merchandise stores	6.7	9.0	2.2	5.6	-3.1
453	Miscellaneous store retailers	4.0	3.8	-0.2	2.3	-1.4
4531	Florists	3.7	0.4	-3.2	0.0	-0.4
4532	Office supplies, stationery and gift stores	6.4	5.6	-0.8	2.3	-3.1
4533	Used merchandise stores	4.8	5.9	1.0	3.9	-1.9
4539	Other miscellaneous store retailers	1.5	2.6	1.1	2.3	-0.3
454	Nonstore retailers	8.8	8.9	0.1	3.6	-4.9
4541	Electronic shopping and mail-order houses	11.4	15.2	3.4	7.4	-6.7
4542	Vending machine operators	0.8	-1.9	-2.6	0.9	2.9
4543	Direct selling establishments	3.6	1.7	-1.8	1.3	-0.4
	Food Services and Drinking Places					
722	Food services and drinking places	0.7	2.0	1.4	5.2	3.1
7221	Full-service restaurants	0.6	2.1	1.4	6.0	3.9
7222	Limited-service eating places	0.7	2.3	1.6	5.0	2.7
7223	Special food services	1.6	2.6	0.9	3.5	0.9
7224	Drinking places, alcoholic beverages	-0.3	-0.7	-0.4	2.2	2.9