

For release 10:00 a.m. (EDT) Thursday, August 29, 2013

USDL-13-1773

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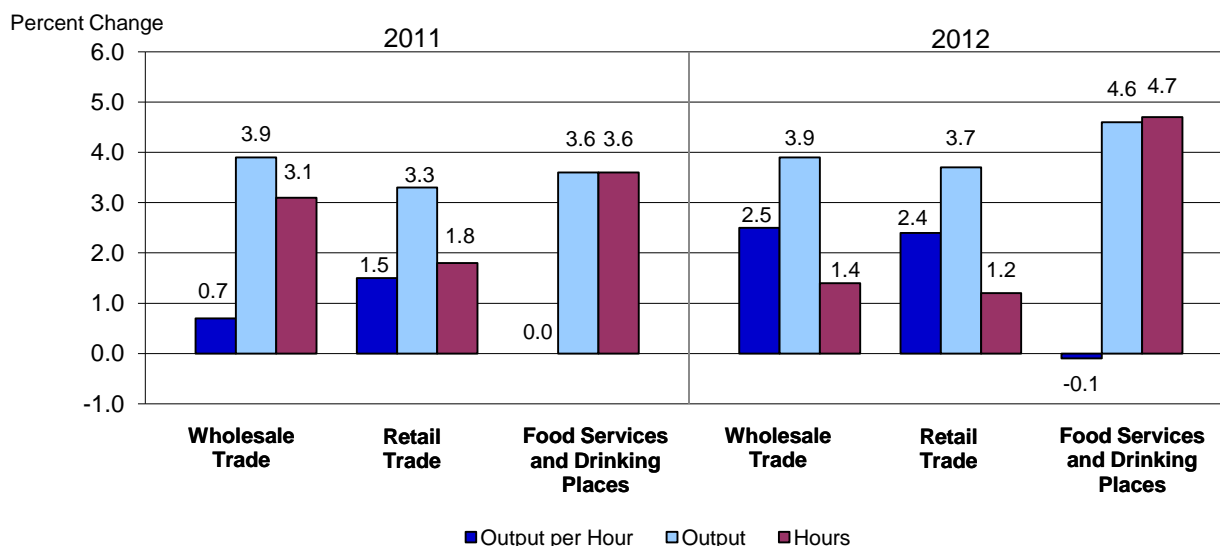
PRODUCTIVITY AND COSTS BY INDUSTRY: WHOLESALE TRADE, RETAIL TRADE, AND FOOD SERVICES AND DRINKING PLACES INDUSTRIES, 2012

Labor productivity – defined as output per hour – rose in wholesale trade and in retail trade but fell slightly in food services and drinking places in 2012, the U.S. Bureau of Labor Statistics reported today. Productivity changes were as follows:

2.5 percent in wholesale trade,
2.4 percent in retail trade, and
-0.1 percent in food services and drinking places.

Productivity grew faster in wholesale trade and retail trade in 2012 than in 2011, as output increased at the same rate as in the previous year for wholesale trade and more rapidly for retail trade, while hours rose more slowly in both sectors than in 2011. (See chart 1.) In food services and drinking places, output and hours both rose more rapidly in 2012 than in 2011, but hours rose faster than output.

Chart 1. Annual percent change in output per hour, output, and hours, 2011 and 2012



Unit labor costs, which reflect the total labor costs required to produce a unit of output, fell in retail trade but rose in wholesale trade and in food services and drinking places in 2012. (See table 1.)

Productivity increased in 33 of the 50 detailed 4-digit NAICS industries in 2012. Output grew in 41 industries and hours increased in 33 industries. Unit labor costs fell in 22 industries in 2012.

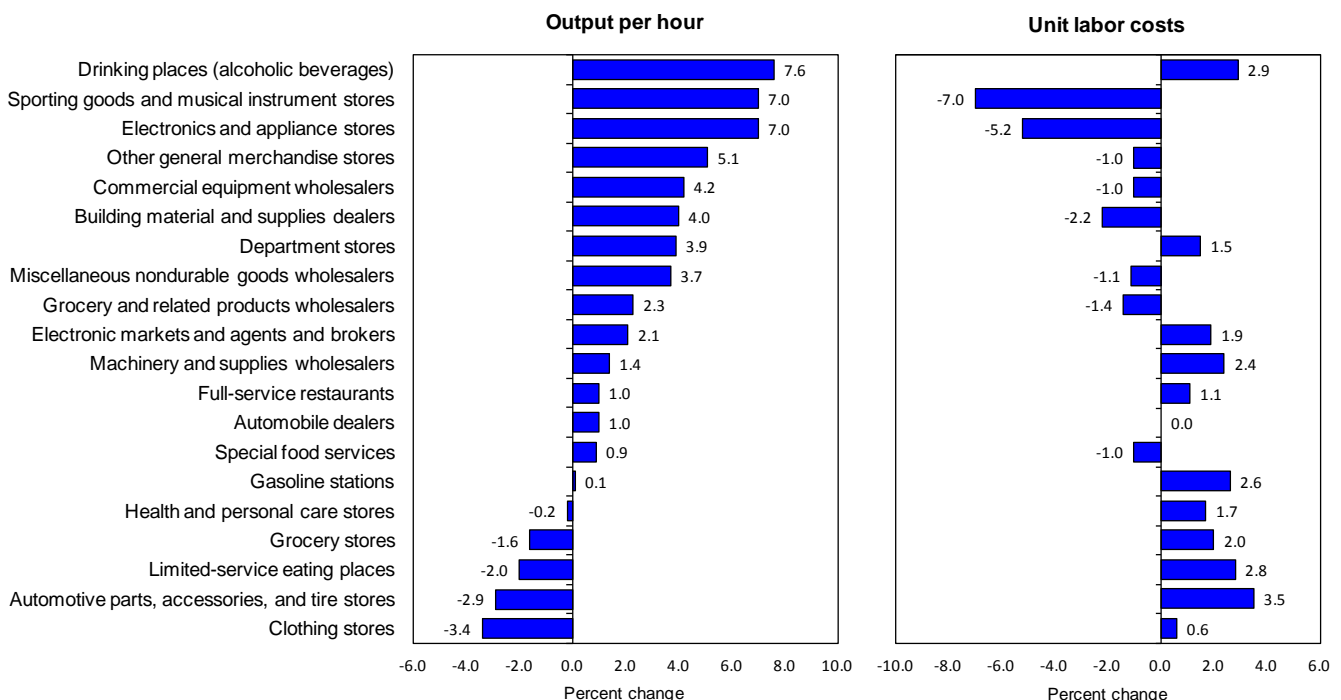
In **wholesale trade**, labor productivity rose 2.5 percent as output grew 3.9 percent and hours increased 1.4 percent. Productivity grew 5.0 percent in durable goods wholesalers and 0.1 percent in nondurable goods wholesalers. Output per hour increased in 11 of the 19 wholesale trade industries, while output rose in 15 industries and hours grew in 14. Productivity increased most rapidly in motor vehicles and parts wholesalers, lumber and construction supplies wholesalers, and metals and minerals wholesalers, as output rose substantially in each. Unit labor costs declined in 7 industries.

In **retail trade**, labor productivity grew 2.4 percent as output increased 3.7 percent and hours rose 1.2 percent. Output per hour increased in 19 of the 27 detailed retail trade industries in 2012, as output grew in 22 industries and hours rose in 16. The largest productivity increases were in home furnishing stores, where output rose considerably more than hours, in furniture stores, where output rose despite a decline in hours, and in book, periodical, and music stores, where output fell but hours declined even more. Unit labor costs fell in 14 industries.

In **food services and drinking places**, labor productivity declined 0.1 percent, as output grew 4.6 percent and hours rose 4.7 percent. Productivity increased in three of the four detailed industries in this sector, as output grew in four industries and hours increased in three. Productivity rose most in drinking places, alcoholic beverages, where output increased and hours fell. Productivity fell in limited-service eating places, where hours rose more rapidly than output. Unit labor costs rose in three of the industries.

Chart 2 shows the range of labor productivity and labor cost changes in the 20 largest detailed industries, by employment, in the wholesale trade, retail trade, and food services and drinking places sectors. Productivity rose in 15 of these industries. Unit labor costs fell in 8 industries, due to productivity gains that offset increases in hourly compensation.

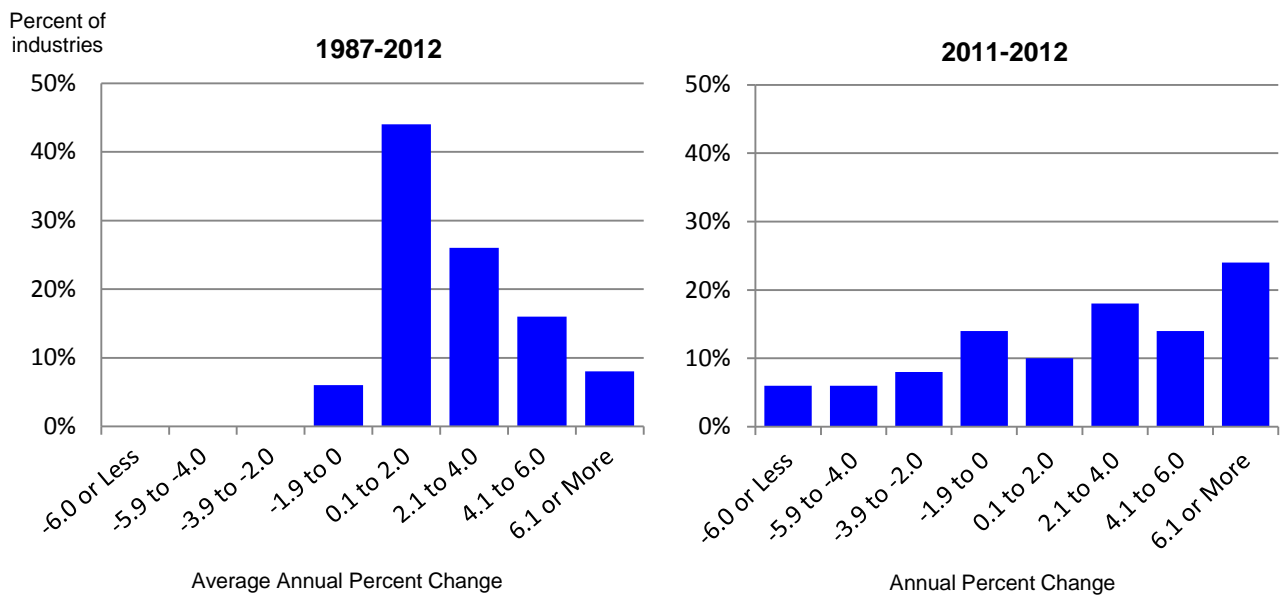
Chart 2. Percent change in output per hour and unit labor costs, 2011-2012



Over the longer term (1987 to 2012), productivity in the wholesale trade, retail trade, and food services and drinking places sectors advanced more rapidly than in 2012. From 1987 to 2012, output per hour increased at an average annual rate of 3.0 percent in wholesale trade, 2.8 percent in retail trade, and 0.6 percent in food services and drinking places. During this period unit labor costs rose in wholesale trade and in food services and drinking places, but were unchanged in retail trade. (See table 2.)

Productivity also increased in more trade and food services and drinking places industries over the longer term than in 2012, with output per hour rising in 47 of the 50 detailed industries from 1987 to 2012. Unit labor costs fell in 18 of the detailed industries over the period. Chart 3 compares the distribution of average annual percent changes in labor productivity since 1987 with the distribution of changes in 2012 for the 50 industries in wholesale trade, retail trade, and food services and drinking places. The productivity performance of these industries varied more widely in 2012 than over the long term, with 20 percent of the industries recording declines in productivity of 2.0 percent or more and 24 percent posting productivity gains of 6.1 percent or higher in 2012. Over the long term, in contrast, none of the industries had declines in productivity exceeding 2.0 percent per year on average and only 8 percent registered productivity gains averaging 6.1 percent per year or more, while 44 percent of the industries registered average productivity gains between 0.1 and 2.0 percent per year.

Chart 3. Distribution of annual percent changes in output per hour, 1987-2012 and 2011-2012



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 and revised as new data become available. The latest industry productivity data for trade and food services and drinking places industries and industries in other sectors are available on the BLS Labor Productivity and Costs website at www.bls.gov/lpc.

The measures in this news release incorporate preliminary data from the Census Bureau's Annual Wholesale Trade Report (March 2013), Monthly Wholesale Trade Survey (May 2013), Annual Retail Trade Survey (April 2013), and the Annual Revision of the Monthly Retail and Food Services: Sales and Inventories (May 2013), as well as data from the Census Bureau's Nonemployer Statistics (May 2013). The labor productivity and output series for all industries have been revised for 2011 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 2013. In addition, the unit labor cost measures incorporate preliminary data from the BLS Quarterly Census of Employment and Wages (June 2013). All of the measures for 2012 in this release are preliminary and subject to revision.

The industries included in this release are classified according to the 2007 NAICS. 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.

More detailed data, including indexes, annual rates of change, and levels are available on the Labor Productivity and Costs website at <http://www.bls.gov/lpc/>. Additional information can be obtained 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.

Customers can subscribe to the industry productivity program's news releases on the BLS website at <https://subscriptions.bls.gov/accounts/USDOLBLS/subscriber/new>.

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 outside the industry. 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.

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. CES data are supplemented with data from the Current Population Survey (CPS) 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. CES and CPS data are supplemented or further disaggregated for some industries using data from the BLS Quarterly Census of Employment and Wages (QCEW), the Census Bureau, or other sources. 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 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 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.

Table 1. Percent change in output per hour, unit labor costs, and related data, 2011-2012

Industry	NAICS code	2012 Employment (thousands)	Percent change, 2011-2012				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
Wholesale Trade							
Wholesale trade.....	42	5,815.7	2.5	3.9	1.4	4.5	0.6
Durable goods.....	423	2,908.6	5.0	6.2	1.1	4.4	-1.7
Motor vehicles and parts.....	4231	323.0	18.0	17.7	-0.3	6.2	-9.7
Furniture and furnishings.....	4232	98.7	-0.1	1.4	1.5	7.9	6.4
Lumber and construction supplies.....	4233	187.4	10.5	11.1	0.6	3.0	-7.3
Commercial equipment.....	4234	630.9	4.2	3.6	-0.5	2.6	-1.0
Metals and minerals.....	4235	122.5	9.9	11.2	1.2	4.6	-6.0
Electric goods.....	4236	324.2	-2.4	-0.3	2.1	4.3	4.6
Hardware and plumbing.....	4237	228.3	4.3	4.8	0.4	3.9	-0.9
Machinery and supplies.....	4238	657.1	1.4	4.6	3.1	7.1	2.4
Miscellaneous durable goods.....	4239	336.5	-9.8	-8.5	1.4	2.8	12.4
Nondurable goods.....	424	2,033.1	0.1	1.5	1.4	3.7	2.1
Paper and paper products.....	4241	122.5	-4.3	0.5	5.0	2.5	2.1
Druggists' goods.....	4242	196.9	-8.6	-4.9	4.0	4.3	9.7
Apparel and piece goods.....	4243	147.2	4.5	3.6	-0.9	5.4	1.7
Grocery and related products.....	4244	740.4	2.3	2.8	0.5	1.3	-1.4
Farm product raw materials.....	4245	81.5	-0.3	-1.4	-1.1	1.4	2.8
Chemicals.....	4246	126.0	-1.5	3.7	5.3	5.0	1.2
Petroleum.....	4247	96.8	4.7	3.8	-0.8	4.8	1.0
Alcoholic beverages.....	4248	172.7	-0.8	1.2	2.0	9.0	7.6
Miscellaneous nondurable goods.....	4249	349.0	3.7	5.0	1.3	3.9	-1.1
Electronic markets and agents and brokers.....	425	874.0	2.1	4.4	2.3	6.4	1.9
Electronic markets and agents and brokers.....	4251	874.0	2.1	4.4	2.3	6.4	1.9
Retail Trade							
Retail trade.....	44-45	15,690.5	2.4	3.7	1.2	3.2	-0.5
Motor vehicle and parts dealers.....	441	1,793.9	1.5	6.0	4.4	6.0	0.0
Automobile dealers.....	4411	1,131.7	1.0	6.9	5.9	7.0	0.0
Other motor vehicle dealers.....	4412	137.3	2.3	5.7	3.3	9.2	3.3
Auto parts, accessories, and tire stores.....	4413	524.9	-2.9	-1.3	1.6	2.1	3.5
Furniture and home furnishings stores.....	442	475.6	8.8	8.7	-0.1	1.4	-6.7
Furniture stores.....	4421	226.1	8.4	5.5	-2.7	3.4	-2.0
Home furnishings stores.....	4422	249.5	9.1	12.4	3.1	-0.9	-11.9
Electronics and appliance stores.....	443	517.8	7.0	6.9	-0.1	1.3	-5.2
Electronics and appliance stores.....	4431	517.8	7.0	6.9	-0.1	1.3	-5.2
Building material and garden supply stores.....	444	1,206.0	4.2	3.5	-0.6	0.5	-2.9
Building material and supplies dealers.....	4441	1,053.9	4.0	3.3	-0.6	1.0	-2.2
Lawn and garden equipment and supplies stores.....	4442	152.1	5.4	4.7	-0.7	-3.6	-8.0
Food and beverage stores.....	445	2,958.8	-1.7	0.9	2.6	2.8	1.9
Grocery stores.....	4451	2,548.3	-1.6	0.6	2.2	2.6	2.0
Specialty food stores.....	4452	247.7	2.4	7.0	4.5	3.7	-3.1
Beer, wine and liquor stores.....	4453	162.8	-4.4	3.0	7.7	5.3	2.2
Health and personal care stores.....	446	1,033.9	-0.2	-0.4	-0.2	1.3	1.7
Health and personal care stores.....	4461	1,033.9	-0.2	-0.4	-0.2	1.3	1.7
Gasoline stations.....	447	854.1	0.1	1.1	0.9	3.7	2.6
Gasoline stations.....	4471	854.1	0.1	1.1	0.9	3.7	2.6
Clothing and clothing accessories stores.....	448	1,496.1	-0.6	3.1	3.8	1.9	-1.2
Clothing stores.....	4481	1,129.6	-3.4	2.6	6.2	3.2	0.6
Shoe stores.....	4482	192.7	6.4	2.3	-3.8	4.4	2.1
Jewelry, luggage, and leather goods stores.....	4483	173.8	7.4	6.9	-0.4	-3.3	-9.6
Sporting goods, hobby, book, and music stores.....	451	667.1	7.3	6.3	-0.9	-1.0	-6.9
Sporting goods and musical instrument stores.....	4511	540.1	7.0	8.5	1.4	0.9	-7.0
Book, periodical, and music stores.....	4512	127.0	8.5	-1.9	-9.6	-7.5	-5.7

Table 1. Percent change in output per hour, unit labor costs, and related data, 2011-2012 — Continued

Industry	NAICS code	2012 Employment (thousands)	Percent change, 2011-2012				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
General merchandise stores.....	452	3,096.0	6.0	3.1	-2.7	2.0	-1.1
Department stores.....	4521	1,501.0	3.9	-2.0	-5.7	-0.5	1.5
Other general merchandise stores.....	4529	1,595.0	5.1	5.3	0.2	4.3	-1.0
Miscellaneous store retailers.....	453	966.4	-0.8	6.7	7.5	4.9	-1.7
Florists.....	4531	82.7	-5.2	9.8	15.9	3.1	-6.2
Office supplies, stationery and gift stores.....	4532	325.4	-0.3	4.7	4.9	-0.5	-4.9
Used merchandise stores.....	4533	214.6	-6.9	9.0	17.0	18.7	8.9
Other miscellaneous store retailers.....	4539	343.7	4.2	7.2	2.8	4.4	-2.6
Nonstore retailers.....	454	624.8	5.5	8.0	2.3	10.0	1.9
Electronic shopping and mail-order houses.....	4541	333.2	3.1	9.9	6.6	14.8	4.5
Vending machine operators.....	4542	44.0	7.5	-0.5	-7.4	-4.6	-4.2
Direct selling establishments.....	4543	247.6	3.8	1.7	-2.0	3.8	2.0
Food Services and Drinking Places							
Food services and drinking places.....	722	10,211.9	-0.1	4.6	4.7	6.4	1.8
Full-service restaurants.....	7221	4,788.4	1.0	5.8	4.7	7.0	1.1
Limited-service eating places.....	7222	4,328.2	-2.0	3.1	5.2	6.0	2.8
Special food services.....	7223	721.4	0.9	6.0	5.0	4.9	-1.0
Drinking places, alcoholic beverages.....	7224	373.9	7.6	4.5	-2.9	7.5	2.9

Table 2. Average annual percent change in output per hour, unit labor costs, and related data, 1987-2012

Industry	NAICS code	Average annual percent change, 1987-2012				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
Wholesale Trade						
Wholesale trade.....	42	3.0	3.4	0.3	4.2	0.8
Durable goods.....	423	4.9	4.9	0.0	4.0	-0.8
Motor vehicles and parts.....	4231	4.2	3.7	-0.4	3.3	-0.4
Furniture and furnishings.....	4232	1.9	1.1	-0.7	3.7	2.6
Lumber and construction supplies.....	4233	1.8	1.6	-0.1	2.4	0.7
Commercial equipment.....	4234	13.6	13.9	0.2	4.4	-8.3
Metals and minerals.....	4235	-0.4	-0.4	0.0	3.8	4.2
Electric goods.....	4236	7.6	7.1	-0.5	4.1	-2.7
Hardware and plumbing.....	4237	1.6	1.9	0.4	4.1	2.1
Machinery and supplies.....	4238	2.3	2.2	-0.1	4.1	1.8
Miscellaneous durable goods.....	4239	0.4	1.5	1.1	4.8	3.2
Nondurable goods.....	424	1.3	1.4	0.2	4.2	2.8
Paper and paper products.....	4241	1.4	0.6	-0.7	2.8	2.2
Druggists' goods.....	4242	3.3	4.8	1.4	8.4	3.4
Apparel and piece goods.....	4243	2.5	2.1	-0.4	3.7	1.6
Grocery and related products.....	4244	1.1	1.8	0.7	4.2	2.3
Farm product raw materials.....	4245	0.8	-1.1	-1.9	4.0	5.2
Chemicals.....	4246	0.6	1.0	0.4	4.2	3.1
Petroleum.....	4247	2.4	0.3	-2.0	2.7	2.4
Alcoholic beverages.....	4248	-0.1	1.8	1.9	5.0	3.1
Miscellaneous nondurable goods.....	4249	0.3	-0.1	-0.4	3.1	3.2
Electronic markets and agents and brokers.....	425	1.3	3.7	2.4	4.7	1.0
Electronic markets and agents and brokers.....	4251	1.3	3.7	2.4	4.7	1.0
Retail Trade						
Retail trade.....	44-45	2.8	3.2	0.4	3.2	0.0
Motor vehicle and parts dealers.....	441	1.8	2.4	0.6	3.3	0.8
Automobile dealers.....	4411	1.9	2.5	0.6	3.3	0.8
Other motor vehicle dealers.....	4412	2.4	3.0	0.6	4.1	1.1
Auto parts, accessories, and tire stores.....	4413	1.3	1.9	0.6	3.1	1.2
Furniture and home furnishings stores.....	442	4.1	3.5	-0.5	2.3	-1.2
Furniture stores.....	4421	3.4	2.9	-0.4	2.1	-0.9
Home furnishings stores.....	4422	4.9	4.3	-0.6	2.6	-1.6
Electronics and appliance stores.....	443	12.3	13.6	1.1	4.1	-8.3
Electronics and appliance stores.....	4431	12.3	13.6	1.1	4.1	-8.3
Building material and garden supply stores.....	444	2.6	3.2	0.6	3.1	-0.1
Building material and supplies dealers.....	4441	2.3	3.2	0.8	3.3	0.1
Lawn and garden equipment and supplies stores.....	4442	4.3	3.6	-0.6	2.0	-1.6
Food and beverage stores.....	445	0.3	0.2	-0.1	2.9	2.6
Grocery stores.....	4451	0.2	0.2	0.0	3.1	2.9
Specialty food stores.....	4452	0.3	-0.2	-0.5	1.6	1.7
Beer, wine and liquor stores.....	4453	2.0	0.9	-1.0	2.1	1.1
Health and personal care stores.....	446	2.1	3.3	1.1	4.8	1.5
Health and personal care stores.....	4461	2.1	3.3	1.1	4.8	1.5
Gasoline stations.....	447	1.7	1.0	-0.7	2.3	1.3
Gasoline stations.....	4471	1.7	1.0	-0.7	2.3	1.3
Clothing and clothing accessories stores.....	448	4.2	4.0	-0.2	2.7	-1.3
Clothing stores.....	4481	4.4	4.6	0.2	2.9	-1.6
Shoe stores.....	4482	3.6	2.3	-1.2	1.8	-0.5
Jewelry, luggage, and leather goods stores.....	4483	3.8	3.1	-0.7	2.9	-0.2
Sporting goods, hobby, book, and music stores.....	451	4.1	4.0	-0.1	3.0	-0.9
Sporting goods and musical instrument stores.....	4511	4.7	5.2	0.4	3.5	-1.6
Book, periodical, and music stores.....	4512	2.7	0.9	-1.7	1.7	0.7

Table 2. Average annual percent change in output per hour, unit labor costs, and related data, 1987-2012 — Continued

Industry	NAICS code	Average annual percent change, 1987-2012				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
General merchandise stores.....	452	3.1	4.8	1.6	3.6	-1.1
Department stores.....	4521	0.4	1.4	1.0	2.3	0.8
Other general merchandise stores.....	4529	5.9	8.4	2.4	5.2	-2.9
Miscellaneous store retailers.....	453	3.7	3.6	-0.1	2.2	-1.4
Florists.....	4531	2.9	-0.1	-2.9	-0.3	-0.2
Office supplies, stationery and gift stores.....	4532	5.8	4.9	-0.8	1.8	-3.0
Used merchandise stores.....	4533	4.1	5.9	1.7	4.2	-1.7
Other miscellaneous store retailers.....	4539	1.7	2.7	0.9	2.3	-0.3
Nonstore retailers.....	454	8.5	8.7	0.2	3.8	-4.5
Electronic shopping and mail-order houses.....	4541	10.7	14.6	3.6	7.8	-6.0
Vending machine operators.....	4542	0.8	-2.4	-3.1	0.3	2.7
Direct selling establishments.....	4543	3.1	1.2	-1.8	0.9	-0.3
Food Services and Drinking Places						
Food services and drinking places.....	722	0.6	2.1	1.5	5.1	3.0
Full-service restaurants.....	7221	0.6	2.2	1.6	5.9	3.6
Limited-service eating places.....	7222	0.5	2.2	1.7	4.9	2.7
Special food services.....	7223	1.4	2.5	1.1	3.7	1.2
Drinking places, alcoholic beverages.....	7224	0.0	-0.5	-0.5	2.6	3.1