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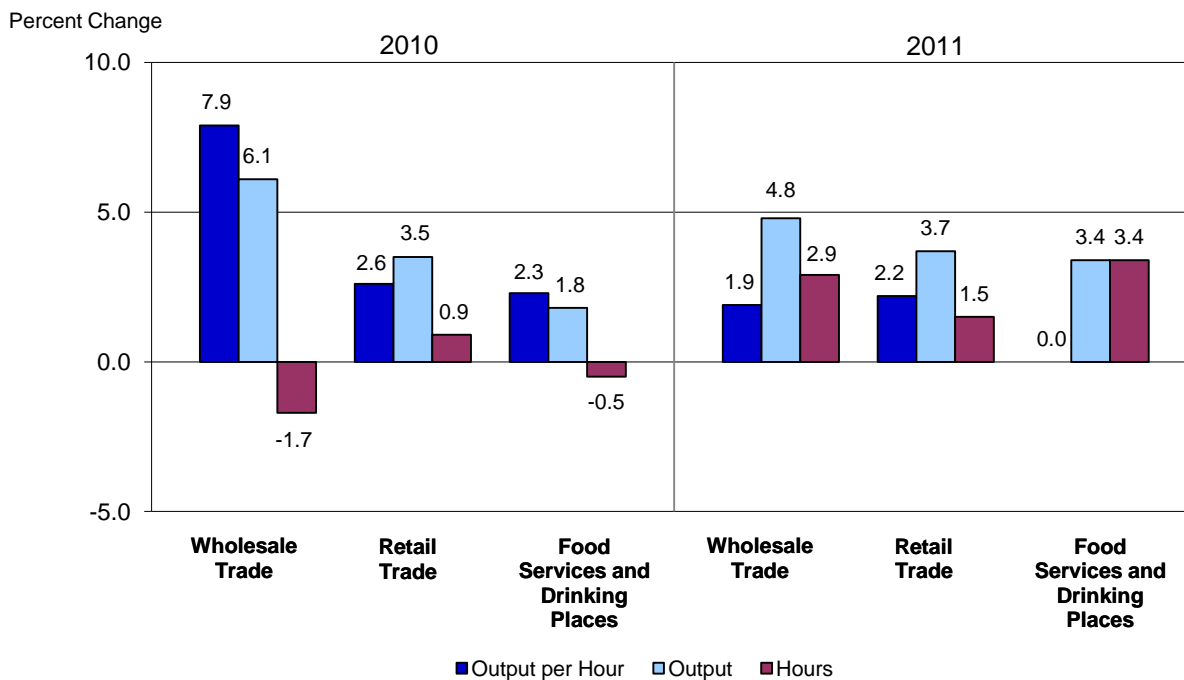
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**PRODUCTIVITY AND COSTS BY INDUSTRY: WHOLESALE TRADE, RETAIL TRADE, AND FOOD SERVICES AND DRINKING PLACES INDUSTRIES, 2011**

**Labor productivity** – defined as output per hour – rose 1.9 percent in wholesale trade, 2.2 percent in retail trade and was unchanged in food services and drinking places in 2011, the U.S. Bureau of Labor Statistics reported today. Productivity growth was lower in all three sectors in 2011 compared to 2010. Output increased in all three sectors, and grew more rapidly in retail trade and in food services and drinking places in 2011 than in 2010. Notably, hours also rose in all three sectors in 2011, after falling in wholesale trade and in food services and drinking places in 2010. (See chart 1.)

**Chart 1. Annual percent change in output per hour, output, and hours, 2010 and 2011**



**Unit labor costs**, which reflect the total labor costs required to produce a unit of output, rose in wholesale trade and in food services and drinking places in 2011, but fell in retail trade. (See table 1.) In 2010, unit labor costs declined in wholesale trade and in retail trade and grew in food services and drinking places.

Productivity increased in 33 of the 50 detailed industries in 2011, compared to 41 industries in 2010. Output grew in 39 industries and hours increased in 33. In the previous year, output rose in 42 industries, while hours grew in 19. Unit labor costs fell in 27 industries in 2011, compared to 31 in 2010.

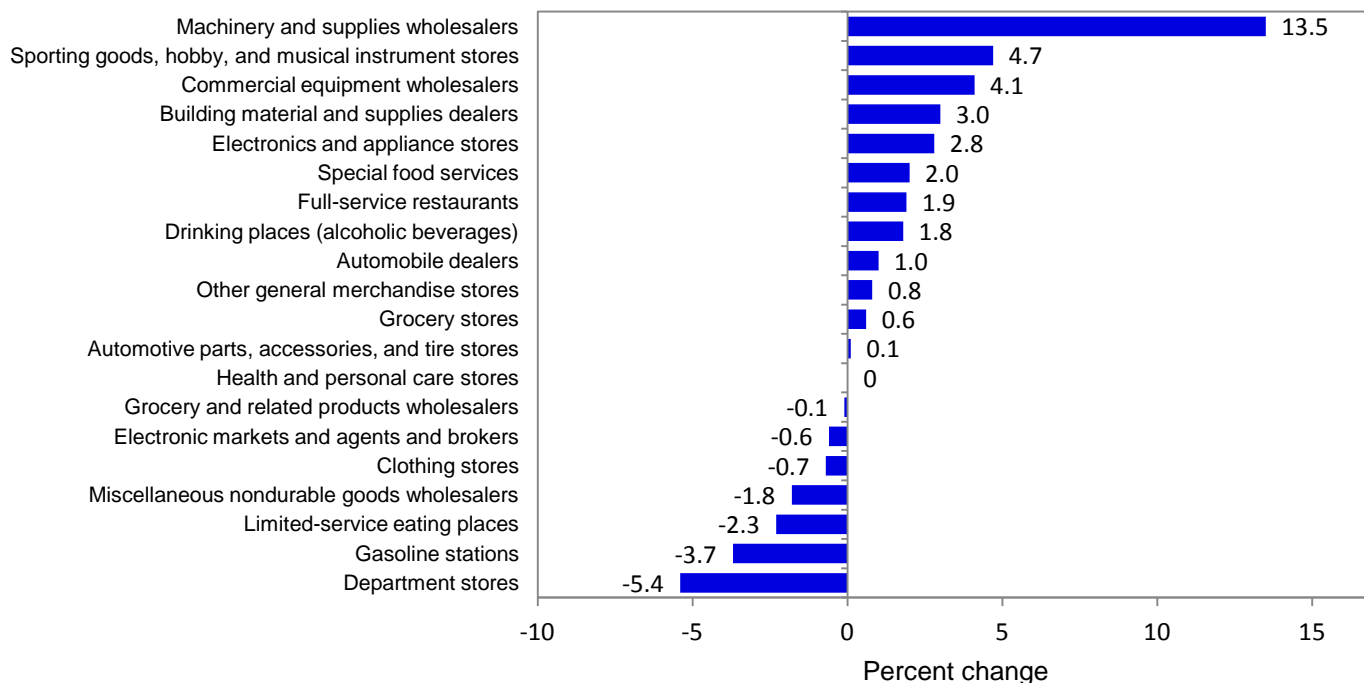
**In wholesale trade,** labor productivity rose 1.9 percent as output grew 4.8 percent and hours increased 2.9 percent. Productivity grew 6.3 percent in durable goods, but fell 1.1 percent in nondurable goods. Output per hour increased in all but one of the durable goods industries but in only one of the nondurable goods industries. Output grew in 13 of the 19 wholesale trade industries and hours rose in 15. Productivity increased most rapidly in machinery and supplies wholesalers, where output rose more than in any other wholesale trade industry. Unit labor costs declined in 9 industries.

**In retail trade,** labor productivity grew 2.2 percent – faster than in the other sectors presented here – as output increased 3.7 percent and hours rose 1.5 percent. Output per hour increased in 21 of the 27 detailed retail trade industries in 2011. Output grew in 23 industries and hours rose in 16. The largest productivity increases were in florists and vending machine operators, both of which recorded rapid declines in hours. Unit labor costs fell in 17 industries.

**In food services and drinking places,** labor productivity recorded no change, as output and hours both grew 3.4 percent. Output per hour rose in three of the four detailed industries in this sector, but fell in limited-service eating places, where hours grew at a rate nearly double that of output. Output increased in three industries and hours grew in two. Unit labor costs rose in three of the four industries.

Chart 2 shows the change in productivity in the 20 largest wholesale trade, retail trade, and food services and drinking places industries. Among these industries, machinery and supplies wholesalers recorded the largest productivity increase while department stores 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, 2010-2011**

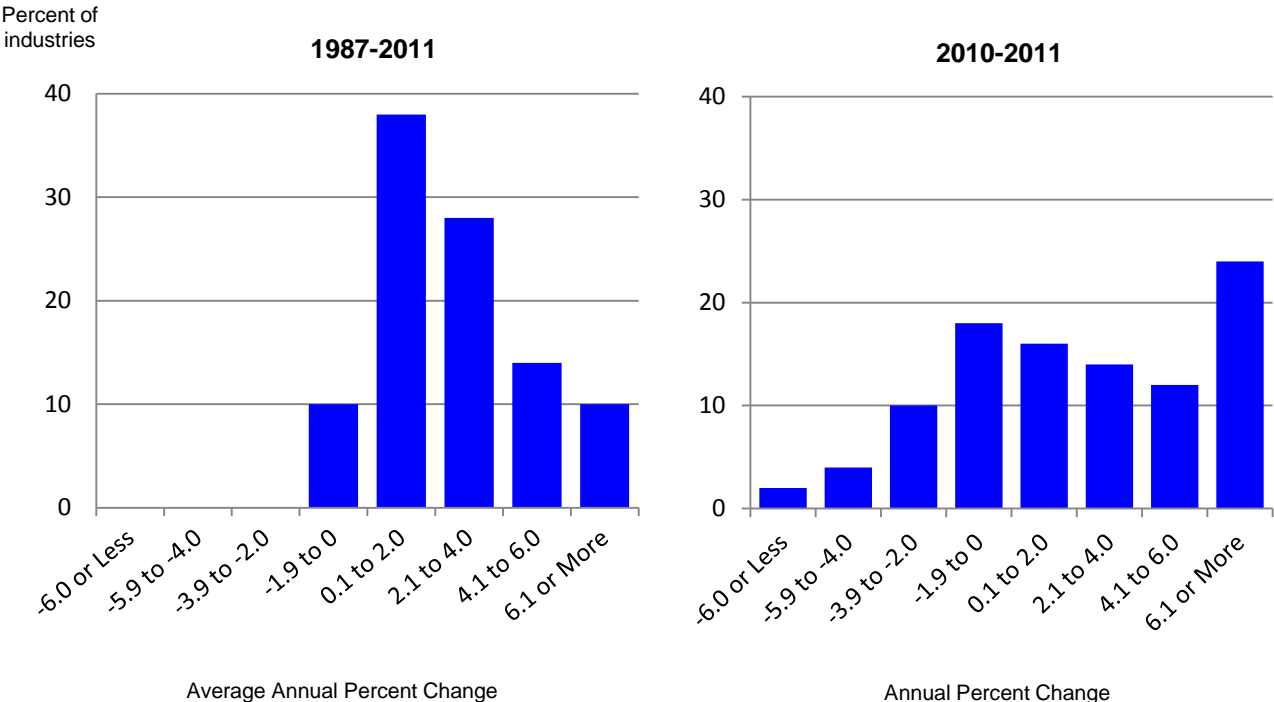


Over the longer term (1987 to 2011), productivity growth in the wholesale trade, retail trade, and food services and drinking places sectors advanced more rapidly than in 2011. From 1987 to 2011, output per hour increased 3.1 percent in wholesale trade, 2.8 percent in retail trade, and 0.6 percent in food services and drinking places. Between 1987 and 2011, unit labor costs rose in wholesale trade and in food services and drinking places, but were unchanged in retail trade. (See table 2.)

From 1987 to 2011, productivity rose in 45 of the 50 detailed industries, more than in 2011. Unit labor costs fell in 16 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 2011 for 50 industries in wholesale trade, retail trade, and food services and drinking places. The productivity performance of these industries varied more widely in 2011 than over the long term, with 16 percent of the industries recording declines in productivity of 2.0 percent or more and nearly a quarter posting productivity gains of 6.1 percent or higher in 2011. In comparison, over the long term no industries exhibited declines in productivity exceeding 2.0 percent per year on average, while only 10 percent registered productivity gains of 6.1 percent per year or more.

**Chart 3. Distribution of annual percent changes in output per hour, 1987-2011 and 2010-2011**



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 measures for industries in other sectors can be accessed on the BLS Labor Productivity and Costs web site at [www.bls.gov/lpc](http://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 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 hourly compensation and labor productivity (real output per hour) and are an indicator of inflationary pressures on producers. 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:** The measures in this news release incorporate preliminary data from the Census Bureau's Annual Wholesale Trade Report (March 2012), Monthly Wholesale Trade Survey (May 2012), Annual Retail Trade Survey (March 2012), and the Annual Revision of the Monthly Retail and Food Services: Sales and Inventories (April 2012), as well as data from the Census Bureau's Nonemployer Statistics (August 2012). The labor productivity and output series for all industries have been revised for 2010 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 2012. In addition, the unit labor cost measures incorporate preliminary data from the BLS Quarterly Census of Employment and Wages (June 2012). All of the measures for 2011 in this release are preliminary and subject to revision.

**Additional Information:** 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.

Industry productivity and related indexes; rates of change; and levels of industry employment, hours, nominal value of production and labor compensation are available on the Labor Productivity and Costs web site 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](mailto: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 news releases, customers can register on the BLS website at <https://subscriptions.bls.gov/accounts/USDOLBLS/subscriber/new>.

**Table 1. Percent change in output per hour, unit labor costs, and related data, 2010-2011**

Industry	NAICS code	2011 Employment (thousands)	Percent change, 2010-2011				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
<b>Wholesale Trade</b>							
Wholesale trade.....	42	5,703.9	1.9	4.8	2.9	5.4	0.5
Durable goods.....	423	2,846.3	6.3	9.1	2.6	6.3	-2.6
Motor vehicles and parts.....	4231	320.0	6.7	11.4	4.5	5.1	-5.7
Furniture and furnishings.....	4232	95.4	2.1	-4.2	-6.2	3.7	8.3
Lumber and construction supplies.....	4233	189.6	5.5	4.5	-1.0	1.5	-2.9
Commercial equipment.....	4234	630.5	4.1	7.5	3.3	6.0	-1.4
Metals and minerals.....	4235	117.6	-1.9	5.2	7.2	10.5	5.1
Electric goods.....	4236	312.6	5.6	7.3	1.5	5.2	-1.9
Hardware and plumbing.....	4237	226.7	2.9	4.3	1.4	4.1	-0.1
Machinery and supplies.....	4238	628.8	13.5	15.3	1.6	8.8	-5.6
Miscellaneous durable goods.....	4239	325.1	3.2	10.3	6.9	7.6	-2.4
Nondurable goods.....	424	2,013.0	-1.1	0.5	1.6	2.3	1.8
Paper and paper products.....	4241	122.9	-3.1	-2.1	1.1	0.9	3.0
Druggists' goods.....	4242	190.9	6.6	6.7	0.0	2.9	-3.5
Apparel and piece goods.....	4243	146.8	-5.3	-3.4	2.1	1.2	4.7
Grocery and related products.....	4244	745.2	-0.1	3.2	3.4	1.4	-1.8
Farm product raw materials.....	4245	78.7	-18.3	-16.0	2.8	7.2	27.6
Chemicals.....	4246	123.5	-0.4	2.4	2.8	8.7	6.2
Petroleum.....	4247	95.6	-0.4	-0.2	0.2	1.6	1.8
Alcoholic beverages.....	4248	166.7	-2.6	1.7	4.4	4.3	2.6
Miscellaneous nondurable goods.....	4249	342.6	-1.8	-5.0	-3.2	-0.3	4.9
Electronic markets and agents and brokers.....	425	844.6	-0.6	6.5	7.1	8.7	2.1
Electronic markets and agents and brokers.....	4251	844.6	-0.6	6.5	7.1	8.7	2.1
<b>Retail Trade</b>							
Retail trade.....	44-45	15,509.9	2.2	3.7	1.5	2.9	-0.8
Motor vehicle and parts dealers.....	441	1,748.3	2.1	7.0	4.8	6.9	-0.2
Automobile dealers.....	4411	1,095.0	1.0	8.2	7.1	8.6	0.4
Other motor vehicle dealers.....	4412	129.9	-0.2	0.7	0.8	2.8	2.2
Auto parts, accessories, and tire stores.....	4413	523.4	0.1	1.3	1.2	2.9	1.6
Furniture and home furnishings stores.....	442	480.6	5.9	3.2	-2.5	0.0	-3.1
Furniture stores.....	4421	229.2	5.1	2.9	-2.1	0.2	-2.6
Home furnishings stores.....	4422	251.4	6.8	3.5	-3.1	-0.2	-3.6
Electronics and appliance stores.....	443	531.7	2.8	8.9	6.0	5.4	-3.3
Electronics and appliance stores.....	4431	531.7	2.8	8.9	6.0	5.4	-3.3
Building material and garden supply stores.....	444	1,193.8	3.3	3.1	-0.1	1.5	-1.5
Building material and supplies dealers.....	4441	1,039.8	3.0	2.0	-1.0	0.9	-1.1
Lawn and garden equipment and supplies stores.....	4442	154.0	3.5	10.0	6.3	6.7	-3.0
Food and beverage stores.....	445	2,925.1	1.0	1.3	0.3	0.4	-0.9
Grocery stores.....	4451	2,528.7	0.6	1.3	0.7	0.4	-0.8
Specialty food stores.....	4452	237.2	0.8	-3.3	-4.1	-3.5	-0.2
Beer, wine and liquor stores.....	4453	159.2	2.4	4.1	1.6	7.8	3.6
Health and personal care stores.....	446	1,027.4	0.0	1.5	1.5	3.2	1.6
Health and personal care stores.....	4461	1,027.4	0.0	1.5	1.5	3.2	1.6
Gasoline stations.....	447	840.7	-3.7	-3.1	0.7	1.6	4.8
Gasoline stations.....	4471	840.7	-3.7	-3.1	0.7	1.6	4.8
Clothing and clothing accessories stores.....	448	1,469.1	-0.3	3.7	4.1	2.9	-0.8
Clothing stores.....	4481	1,098.0	-0.7	4.1	4.8	0.9	-3.1
Shoe stores.....	4482	187.9	4.3	3.5	-0.8	1.7	-1.8
Jewelry, luggage, and leather goods stores.....	4483	183.2	-3.1	2.1	5.3	10.8	8.5
Sporting goods, hobby, book, and music stores.....	451	667.3	6.5	5.5	-1.0	1.9	-3.4
Sporting goods and musical instrument stores.....	4511	531.3	4.7	7.4	2.5	2.6	-4.4
Book, periodical, and music stores.....	4512	136.0	13.4	-0.7	-12.5	-0.7	0.1

**Table 1. Percent change in output per hour, unit labor costs, and related data, 2010-2011 — Continued**

Industry	NAICS code	2011 Employment (thousands)	Percent change, 2010-2011				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
General merchandise stores.....	452	3,087.7	-1.5	2.1	3.6	3.2	1.1
Department stores.....	4521	1,546.7	-5.4	-0.9	4.8	2.5	3.4
Other general merchandise stores.....	4529	1,541.0	0.8	3.4	2.6	3.8	0.4
Miscellaneous store retailers.....	453	921.1	10.7	5.9	-4.4	-1.8	-7.3
Florists.....	4531	82.7	20.6	7.6	-10.8	-16.3	-22.2
Office supplies, stationery and gift stores.....	4532	321.0	9.3	3.9	-4.9	-5.8	-9.3
Used merchandise stores.....	4533	185.2	14.2	14.5	0.2	3.2	-9.8
Other miscellaneous store retailers.....	4539	332.2	10.5	5.3	-4.7	2.9	-2.3
Nonstore retailers.....	454	617.1	16.9	13.2	-3.2	5.4	-6.9
Electronic shopping and mail-order houses.....	4541	312.6	14.6	15.9	1.1	10.1	-5.0
Vending machine operators.....	4542	50.5	18.7	10.7	-6.8	4.2	-5.8
Direct selling establishments.....	4543	254.0	13.8	4.3	-8.4	-2.1	-6.1
<b>Food Services and Drinking Places</b>							
Food services and drinking places.....	722	9,853.3	0.0	3.4	3.4	4.9	1.4
Full-service restaurants.....	7221	4,635.1	1.9	5.4	3.4	5.0	-0.4
Limited-service eating places.....	7222	4,162.6	-2.3	2.5	4.9	3.7	1.2
Special food services.....	7223	688.1	2.0	0.4	-1.5	8.9	8.5
Drinking places, alcoholic beverages.....	7224	367.5	1.8	-0.7	-2.5	3.3	4.0

**Table 2. Average annual percent change in output per hour, unit labor costs, and related data, 1987-2011**

Industry	NAICS code	Average annual percent change, 1987-2011				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
<b>Wholesale Trade</b>						
Wholesale trade.....	42	3.1	3.4	0.3	4.2	0.7
Durable goods.....	423	5.0	4.9	0.0	4.0	-0.9
Motor vehicles and parts.....	4231	3.6	3.1	-0.4	3.2	0.0
Furniture and furnishings.....	4232	1.7	0.8	-0.9	3.5	2.7
Lumber and construction supplies.....	4233	1.5	1.3	-0.1	2.3	1.0
Commercial equipment.....	4234	14.2	14.5	0.3	4.5	-8.7
Metals and minerals.....	4235	-1.0	-1.1	-0.1	3.7	4.9
Electric goods.....	4236	8.2	7.5	-0.6	4.1	-3.1
Hardware and plumbing.....	4237	1.5	1.8	0.3	4.0	2.2
Machinery and supplies.....	4238	2.4	2.2	-0.2	3.9	1.7
Miscellaneous durable goods.....	4239	1.1	2.1	1.0	4.9	2.7
Nondurable goods.....	424	1.4	1.5	0.1	4.3	2.8
Paper and paper products.....	4241	1.6	0.6	-1.0	2.8	2.2
Druggists' goods.....	4242	4.1	5.4	1.3	8.5	2.9
Apparel and piece goods.....	4243	2.3	2.0	-0.4	3.7	1.7
Grocery and related products.....	4244	1.1	1.8	0.7	4.3	2.4
Farm product raw materials.....	4245	0.7	-1.2	-2.0	4.1	5.4
Chemicals.....	4246	0.7	1.0	0.2	4.1	3.1
Petroleum.....	4247	2.4	0.2	-2.1	2.6	2.3
Alcoholic beverages.....	4248	0.0	1.9	1.9	4.8	2.9
Miscellaneous nondurable goods.....	4249	0.0	-0.5	-0.4	3.0	3.5
Electronic markets and agents and brokers.....	425	1.4	3.9	2.4	4.7	0.8
Electronic markets and agents and brokers.....	4251	1.4	3.9	2.4	4.7	0.8
<b>Retail Trade</b>						
Retail trade.....	44-45	2.8	3.2	0.4	3.2	0.0
Motor vehicle and parts dealers.....	441	1.9	2.3	0.4	3.2	0.8
Automobile dealers.....	4411	2.0	2.3	0.4	3.1	0.8
Other motor vehicle dealers.....	4412	2.4	2.8	0.4	3.9	1.1
Auto parts, accessories, and tire stores.....	4413	1.4	2.0	0.6	3.2	1.2
Furniture and home furnishings stores.....	442	3.8	3.3	-0.5	2.4	-0.9
Furniture stores.....	4421	3.1	2.8	-0.3	2.0	-0.8
Home furnishings stores.....	4422	4.7	3.9	-0.7	2.8	-1.1
Electronics and appliance stores.....	443	12.5	13.8	1.1	4.2	-8.4
Electronics and appliance stores.....	4431	12.5	13.8	1.1	4.2	-8.4
Building material and garden supply stores.....	444	2.6	3.2	0.6	3.2	0.0
Building material and supplies dealers.....	4441	2.3	3.1	0.9	3.4	0.2
Lawn and garden equipment and supplies stores.....	4442	4.3	3.7	-0.6	2.3	-1.3
Food and beverage stores.....	445	0.4	0.2	-0.2	2.9	2.7
Grocery stores.....	4451	0.3	0.2	-0.1	3.1	2.9
Specialty food stores.....	4452	0.0	-0.6	-0.7	1.5	2.1
Beer, wine and liquor stores.....	4453	2.3	0.9	-1.4	2.0	1.0
Health and personal care stores.....	446	2.2	3.4	1.2	4.9	1.4
Health and personal care stores.....	4461	2.2	3.4	1.2	4.9	1.4
Gasoline stations.....	447	1.7	1.0	-0.8	2.2	1.3
Gasoline stations.....	4471	1.7	1.0	-0.8	2.2	1.3
Clothing and clothing accessories stores.....	448	4.4	4.0	-0.4	2.7	-1.2
Clothing stores.....	4481	4.7	4.6	-0.1	2.9	-1.7
Shoe stores.....	4482	3.4	2.2	-1.1	1.7	-0.6
Jewelry, luggage, and leather goods stores.....	4483	3.6	2.8	-0.8	3.1	0.4
Sporting goods, hobby, book, and music stores.....	451	4.1	4.0	-0.1	3.2	-0.8
Sporting goods and musical instrument stores.....	4511	4.7	5.1	0.4	3.6	-1.4
Book, periodical, and music stores.....	4512	2.9	1.4	-1.4	2.1	0.7



**Table 2. Average annual percent change in output per hour, unit labor costs, and related data, 1987-2011 — Continued**

Industry	NAICS code	Average annual percent change, 1987-2011				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
General merchandise stores.....	452	3.0	4.9	1.8	3.7	-1.1
Department stores.....	4521	0.3	1.6	1.3	2.4	0.8
Other general merchandise stores.....	4529	6.0	8.5	2.3	5.3	-3.0
Miscellaneous store retailers.....	453	4.0	3.5	-0.4	2.0	-1.4
Florists.....	4531	3.8	0.0	-3.7	-0.4	-0.4
Office supplies, stationery and gift stores.....	4532	6.2	5.0	-1.1	1.9	-3.0
Used merchandise stores.....	4533	4.8	6.0	1.1	3.6	-2.2
Other miscellaneous store retailers.....	4539	1.6	2.5	0.8	2.3	-0.2
Nonstore retailers.....	454	8.8	9.0	0.1	3.6	-5.0
Electronic shopping and mail-order houses.....	4541	11.2	15.0	3.4	7.5	-6.5
Vending machine operators.....	4542	1.1	-1.9	-2.9	0.5	2.4
Direct selling establishments.....	4543	3.3	1.4	-1.8	0.8	-0.6
<b>Food Services and Drinking Places</b>						
Food services and drinking places.....	722	0.6	2.0	1.4	5.1	3.0
Full-service restaurants.....	7221	0.6	2.1	1.4	5.9	3.7
Limited-service eating places.....	7222	0.5	2.1	1.6	4.9	2.7
Special food services.....	7223	1.4	2.3	0.9	3.7	1.4
Drinking places, alcoholic beverages.....	7224	-0.3	-0.8	-0.4	2.4	3.2