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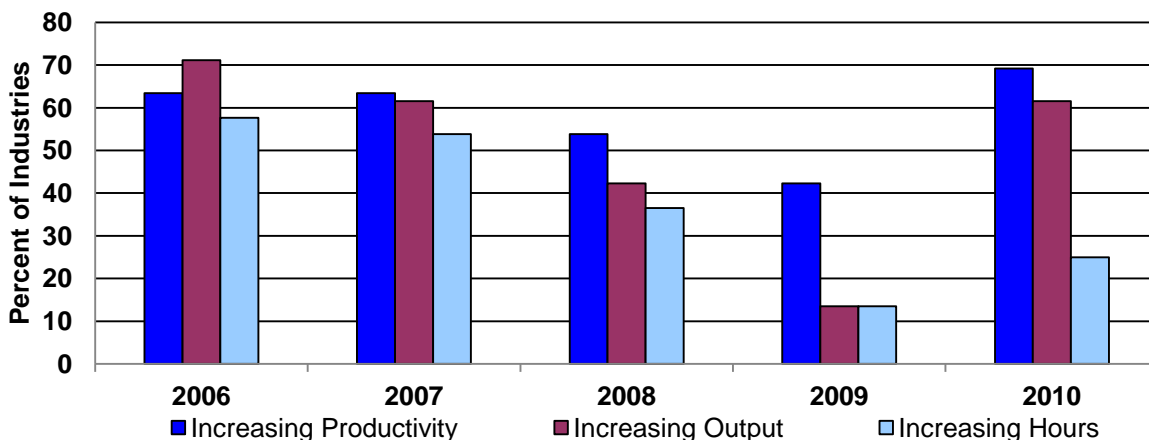
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**PRODUCTIVITY AND COSTS BY INDUSTRY:
SELECTED SERVICE-PROVIDING AND MINING INDUSTRIES, 2010**

Labor productivity – defined as output per hour – rose in 69 percent of the 52 service-providing and mining industries studied in 2010, the U.S. Bureau of Labor Statistics reported today. This was up from 42 percent in 2009. **Unit labor costs**, which reflect the total labor costs required to produce a unit of output, declined in 46 percent of the industries in 2010, compared to 35 percent in 2009.

Productivity increased in more industries in 2010 than in any year since 2003, while output rose in more industries than in any year since 2007. The number of industries with increases in output and the number of industries with increases in hours both rose in 2010 after declining in 2007, 2008, and 2009. (See chart 1.) However, declining hours continued to contribute to productivity gains for many industries. Of the industries with productivity increases in 2010, 72 percent registered output increases, while 86 percent posted declines in labor hours. (See table 1.)

Chart 1. Percent of service-providing and mining industries with increases in productivity, output, and hours, 2006-2010



Unit labor costs fell in 23 of 47 service-providing industries, the most since 2003, but in only 1 of the 5 mining industries in 2010.

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.

Service-Providing Industries

Output per hour increased in 32 of the 47 industries studied. In most of these industries, productivity rose as output growth was accompanied by declines or more modest increases in hours. Several industries posted double-digit productivity gains as a result: local as well as long-distance general freight trucking; refrigerated warehousing and storage; radio and television broadcasting; wireless telecommunications carriers; and travel agencies.

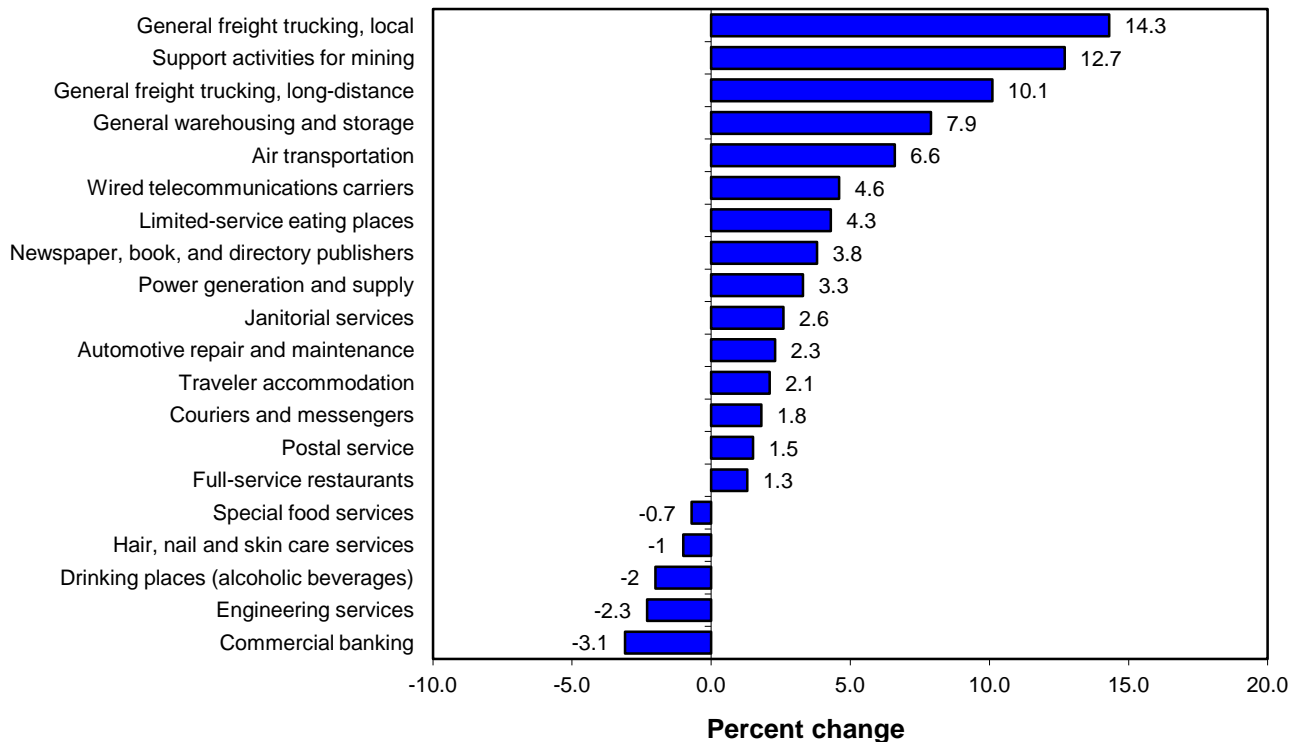
In a few industries, productivity rose despite falling output. In industries such as postal service; couriers and messengers; video tape and disc rental; photofinishing; and newspaper, book, and directory publishers, rising labor productivity reflected declines in both labor hours and output, with hours falling more rapidly than output.

Mining Industries

Output per hour rose in four of the five detailed mining industries studied; only coal mining posted a productivity decline. Productivity was particularly strong in the support activities for mining industry, where strong growth in output exceeded a large increase in labor hours. However, because support activities for mining are completely consumed by other mining industries, they are not included in the final output leaving the sector. After excluding support activities for mining, overall productivity for the mining sector declined slightly, as output grew more slowly than hours.

Chart 2 shows the change in productivity in the 20 largest (by employment) service-providing and mining industries. Several industries in the transportation and warehousing sector, along with support activities for mining, recorded large increases in output per hour.

Chart 2. Percent change in output per hour in the largest (by employment) service-providing and mining industries, 2009-2010

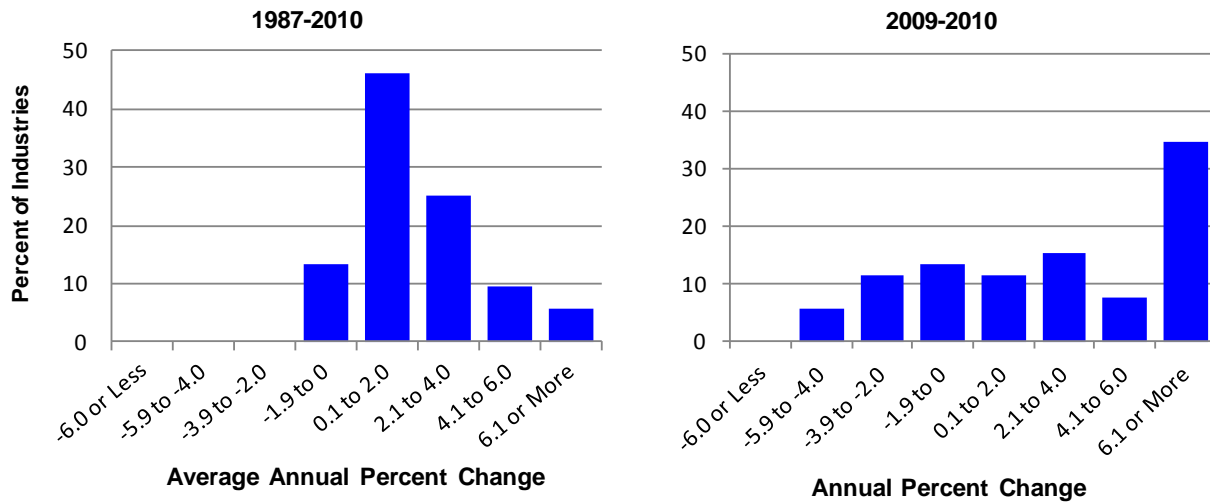


Long-Term Trends

Industry productivity performance over the long term contrasts with the performance in 2010. Between 1987 and 2010, labor productivity increased in 87 percent of the detailed service-providing and mining industries, with over 70 percent of industries recording average productivity growth between 0.1 and 4.0 percent per year.

Chart 3 compares the distribution of productivity changes from 1987 to 2010 with those of the most recent year. In 2010, large productivity gains were more common than over the longer term; 35 percent of industries posted productivity gains of 6.1 percent or more, the most since 1998.

Chart 3. Distribution of average annual percent change in output per hour, 1987-2010 and 2009-2010



New Industries and Improvements

With this release, productivity and cost measures are presented for the first time for two industries: travel arrangement and reservation services (NAICS 5615) and personal care services (NAICS 8121). Output per hour in the travel arrangement and reservation services industry rose at a rapid rate of 8.3 percent per year on average between 1997 and 2010, and increased 11.8 percent in 2010. Output per hour in the personal care services industry increased 1.8 percent per year on average between 1987 and 2010, but declined 2.2 percent in 2010.

Also included in this release for the first time are improved productivity and cost measures for the commercial banking industry. The revised measures reflect a more comprehensive definition of banking output that covers a broader range of bank services – including loan securitization, investment banking, insurance provision, and other fee-based services – as well as improved weights for combining detailed banking services. Labor productivity in commercial banking grew at an average rate of 3.9 percent per year between 1987 and 2010, but declined 3.1 percent in 2010. A fuller discussion of the changes will be provided in a forthcoming article in the Monthly Labor Review (MLR).

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 (in real terms) provided for sale outside the industry. Real industry output is usually derived by deflating nominal sales or values of production using BLS price indexes, but for some industries it is measured by physical quantities of output.

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. Output measures for some mining and utilities industries are based on physical quantity data from the Energy Information Administration, U.S. Department of Energy, while output measures for some transportation industries are based on physical quantity data from the Bureau of Transportation Statistics, U.S. Department of Transportation. Other data sources for some industries include the U.S. Geological Survey, U.S. Department of the Interior; the U.S. Postal Service; the Postal Rate Commission; and the Federal Deposit Insurance Corporation.

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 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. Other sources of employment and hours data for some service industries include the Association of American Railroads, the U.S. Department of Transportation, and the U.S. Postal Service. 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: The measures in this news release incorporate data from the 2010 Service Annual Survey published by the Census Bureau. The labor productivity and output series for all industries have been revised for 2009 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. All of the measures for 2010 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.

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 productivity and related indexes; rates of change; and levels of industry employment, hours, nominal value of production and labor compensation can be accessed online by visiting the Labor Productivity and Costs web site at www.bls.gov/lpc. Additional information is available by calling the Division of Industry Productivity Studies (202-691-5618) or by sending an 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 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, 2009-2010

Industry	NAICS code	2010 Employment (thousands)	Percent change, 2009-2010				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
Mining Industries							
Mining.....	21	676.9	-2.0	2.5	4.6	8.4	5.8
Oil and gas extraction.....	211	163.1	8.7	2.8	-5.5	8.2	5.3
Oil and gas extraction.....	2111	163.1	8.7	2.8	-5.5	8.2	5.3
Mining, except oil and gas.....	212	208.3	1.2	1.7	0.5	4.9	3.1
Coal mining.....	2121	81.0	-1.2	-1.3	-0.2	4.0	5.4
Metal ore mining.....	2122	37.0	3.4	10.0	6.4	13.6	3.3
Nonmetallic mineral mining and quarrying.....	2123	90.3	0.1	-0.8	-0.9	1.0	1.9
Support activities for mining.....	213	305.5	12.7	27.3	12.9	11.1	-12.7
Support activities for mining.....	2131	305.5	12.7	27.3	12.9	11.1	-12.7
Utilities							
Power generation and supply.....	2211	398.0	3.3	1.5	-1.8	0.7	-0.8
Natural gas distribution.....	2212	107.9	5.7	2.9	-2.7	-0.3	-3.1
Transportation and Warehousing							
Air transportation.....	481	390.6	6.6	4.4	-2.1	3.5	-0.9
Line-haul railroads.....	482111	172.0	8.1	12.8	4.4	6.0	-6.1
Truck transportation.....	484	1,444.0	8.8	6.5	-2.1	-0.3	-6.3
General freight trucking.....	4841	1,043.6	11.0	7.9	-2.8	-1.9	-9.1
General freight trucking, local.....	48411	270.6	14.3	8.5	-5.1	0.3	-7.6
General freight trucking, long-distance.....	48412	772.9	10.1	7.8	-2.1	-2.4	-9.5
Used household and office goods moving.....	48421	84.8	-3.6	-1.2	2.5	-1.0	0.2
Postal service.....	491	658.5	1.5	-5.7	-7.1	6.6	13.1
Postal service.....	4911	658.5	1.5	-5.7	-7.1	6.6	13.1
Couriers and messengers.....	492	562.0	1.8	-5.5	-7.2	12.4	18.9
Warehousing and storage.....	493	642.3	8.7	9.5	0.7	1.7	-7.1
Warehousing and storage.....	4931	642.3	8.7	9.5	0.7	1.7	-7.1
General warehousing and storage.....	49311	539.9	7.9	9.4	1.3	1.6	-7.1
Refrigerated warehousing and storage.....	49312	48.0	21.9	15.2	-5.5	1.3	-12.1
Information							
Publishing.....	511	788.7	7.2	1.6	-5.2	1.6	0.0
Newspaper, book, and directory publishers.....	5111	527.8	3.8	-5.2	-8.7	-6.4	-1.3
Software publishers.....	5112	260.9	5.9	7.9	1.9	10.2	2.1
Motion picture and video exhibition.....	51213	131.0	0.3	-0.2	-0.5	-0.2	0.0
Broadcasting, except internet.....	515	298.0	12.0	4.4	-6.7	0.1	-4.1
Radio and television broadcasting.....	5151	216.0	15.0	6.6	-7.2	-1.7	-7.8
Cable and other subscription programming.....	5152	82.0	8.5	2.4	-5.6	4.5	2.0
Wired telecommunications carriers.....	5171	611.0	4.6	0.9	-3.5	-2.0	-2.9
Wireless telecommunications carriers.....	5172	175.3	16.0	10.1	-5.0	-5.1	-13.8
Finance and Insurance							
Commercial banking.....	52211	1,305.9	-3.1	-4.0	-0.8	3.6	7.9
Real Estate and Rental and Leasing							
Passenger car rental.....	532111	100.5	8.5	4.4	-3.8	6.6	2.1
Truck, trailer and RV rental and leasing.....	53212	54.7	-0.3	-2.9	-2.6	-2.7	0.2
Video tape and disc rental.....	53223	67.1	24.5	-11.2	-28.7	-22.7	-13.0
Professional and Technical Services							
Tax preparation services.....	541213	145.3	3.4	-1.9	-5.1	-1.5	0.3
Architectural services.....	54131	176.8	-4.1	-10.9	-7.1	-7.8	3.4
Engineering services.....	54133	901.7	-2.3	-3.3	-1.0	1.7	5.1
Advertising agencies.....	54181	183.3	9.4	8.2	-1.1	2.8	-5.0
Photography studios, portrait.....	541921	67.8	12.5	-2.0	-12.9	-6.4	-4.5
Administrative and Waste Services							
Employment placement agencies.....	561311	229.7	-3.3	2.7	6.2	7.9	5.1

Table 1. Percent change in output per hour, unit labor costs, and related data, 2009-2010 — Continued

Industry	NAICS code	2010 Employment (thousands)	Percent change, 2009-2010				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
Travel arrangement and reservation services.....	5615	200.7	11.8	7.5	-3.9	2.9	-4.3
Travel agencies.....	56151	92.8	13.7	10.8	-2.5	2.0	-8.0
Janitorial services.....	56172	1,223.6	2.6	2.2	-0.4	4.1	1.8
Health Care and Social Assistance							
Medical and diagnostic laboratories.....	6215	237.4	-4.3	1.0	5.6	5.6	4.5
Medical laboratories.....	621511	162.9	-5.2	3.6	9.3	8.5	4.7
Diagnostic imaging centers.....	621512	74.5	-0.4	-2.8	-2.4	0.2	3.2
Arts, Entertainment, and Recreation							
Amusement and theme parks.....	71311	141.4	-2.0	0.3	2.3	6.0	5.7
Bowling centers.....	71395	68.7	2.5	-1.7	-4.1	-2.6	-0.9
Accommodation and Food Services							
Accommodation and food services.....	72	11,379.2	2.2	1.7	-0.5	2.9	1.2
Accommodation.....	721	1,789.3	2.1	1.4	-0.7	2.7	1.3
Traveler accommodation.....	7211	1,715.5	2.1	1.4	-0.7	2.8	1.4
Food services and drinking places.....	722	9,589.9	2.3	1.8	-0.5	3.0	1.2
Full-service restaurants.....	7221	4,516.4	1.3	0.8	-0.5	3.5	2.7
Limited-service eating places.....	7222	4,049.6	4.3	3.1	-1.1	2.5	-0.6
Special food services.....	7223	664.1	-0.7	1.3	2.0	1.7	0.4
Drinking places (alcoholic beverages).....	7224	359.8	-2.0	-0.9	1.1	4.1	5.1
Other Services							
Automotive repair and maintenance.....	8111	1,058.7	2.3	1.0	-1.3	0.2	-0.8
Reupholstery and furniture repair.....	81142	20.8	-4.8	-4.9	-0.1	-1.5	3.5
Personal care services.....	8121	1,158.2	-2.2	1.3	3.7	1.6	0.3
Hair, nail and skin care services.....	81211	966.5	-1.0	1.9	2.9	0.9	-0.9
Funeral homes and funeral services.....	81221	103.3	2.0	0.7	-1.2	0.7	0.0
Drycleaning and laundry services.....	8123	331.0	3.0	0.7	-2.3	-1.7	-2.4
Coin-operated laundries and drycleaners.....	81231	45.0	-0.2	3.9	4.1	-1.8	-5.5
Drycleaning and laundry services.....	81232	162.0	-0.3	-3.5	-3.3	-3.3	0.3
Linen and uniform supply.....	81233	124.0	6.1	2.8	-3.1	-0.6	-3.3
Photofinishing.....	81292	15.0	22.3	-1.0	-19.0	-6.2	-5.3

Table 2. Average annual percent change in output per hour, unit labor costs, and related data, 1987-2010

Industry	NAICS code	Average annual percent change, 1987-2010				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
Mining Industries						
Mining.....	21	0.1	-0.1	-0.2	4.8	4.9
Oil and gas extraction.....	211	1.1	-0.4	-1.4	5.3	5.7
Oil and gas extraction.....	2111	1.1	-0.4	-1.4	5.3	5.7
Mining, except oil and gas.....	212	1.8	0.3	-1.5	2.0	1.7
Coal mining.....	2121	1.9	-0.4	-2.2	0.9	1.2
Metal ore mining.....	2122	2.5	2.1	-0.4	4.4	2.2
Nonmetallic mineral mining and quarrying.....	2123	0.6	-0.5	-1.1	2.6	3.1
Support activities for mining.....	213	2.1	4.1	1.9	7.7	3.4
Support activities for mining.....	2131	2.1	4.1	1.9	7.7	3.4
Utilities						
Power generation and supply.....	2211	2.3	0.9	-1.3	2.8	1.9
Natural gas distribution.....	2212	2.6	1.2	-1.4	3.3	2.1
Transportation and Warehousing						
Air transportation.....	481	3.0	2.7	-0.2	2.8	0.1
Line-haul railroads.....	482111	4.2	1.9	-2.2	1.1	-0.8
Truck transportation ¹	484	0.6	1.5	0.9	2.3	0.8
General freight trucking ¹	4841	1.3	2.1	0.8	2.9	0.8
General freight trucking, local ¹	48411	2.9	3.3	0.4	3.6	0.3
General freight trucking, long-distance.....	48412	1.3	2.1	0.8	2.1	0.0
Used household and office goods moving.....	48421	-0.7	-1.0	-0.3	1.8	2.8
Postal service.....	491	0.9	-0.2	-1.1	3.7	3.8
Postal service.....	4911	0.9	-0.2	-1.1	3.7	3.8
Couriers and messengers.....	492	-0.9	1.3	2.2	4.6	3.2
Warehousing and storage ¹	493	2.9	5.6	2.7	5.3	-0.4
Warehousing and storage ¹	4931	2.9	5.6	2.7	5.3	-0.4
General warehousing and storage ¹	49311	5.1	7.9	2.7	5.8	-2.0
Refrigerated warehousing and storage ¹	49312	0.5	3.4	2.9	4.2	0.8
Information						
Publishing.....	511	3.9	3.5	-0.3	5.0	1.4
Newspaper, book, and directory publishers.....	5111	0.0	-1.8	-1.8	2.3	4.1
Software publishers.....	5112	13.5	20.3	6.0	11.6	-7.3
Motion picture and video exhibition.....	51213	1.4	1.8	0.4	3.4	1.6
Broadcasting, except internet.....	515	2.0	2.6	0.5	4.6	1.9
Radio and television broadcasting.....	5151	1.0	0.7	-0.4	3.4	2.7
Cable and other subscription programming.....	5152	3.7	7.6	3.8	10.4	2.5
Wired telecommunications carriers.....	5171	4.1	3.3	-0.8	2.3	-0.9
Wireless telecommunications carriers.....	5172	10.5	21.3	9.7	12.8	-7.0
Finance and Insurance						
Commercial banking.....	52211	3.9	3.8	-0.1	5.5	1.7
Real Estate and Rental and Leasing						
Passenger car rental.....	532111	2.0	2.2	0.2	4.8	2.5
Truck, trailer and RV rental and leasing.....	53212	2.8	1.9	-0.8	2.8	0.9
Video tape and disc rental.....	53223	5.1	2.6	-2.4	0.8	-1.7
Professional and Technical Services						
Tax preparation services.....	541213	0.4	2.6	2.2	4.1	1.4
Architectural services.....	54131	1.1	1.9	0.8	4.1	2.2
Engineering services.....	54133	1.0	2.7	1.7	6.2	3.4
Advertising agencies.....	54181	2.3	2.4	0.1	4.4	2.0
Photography studios, portrait.....	541921	0.3	1.8	1.4	3.9	2.1
Administrative and Waste Services						
Employment placement agencies ²	561311	6.2	6.7	0.5	5.3	-1.3

See footnotes at end of table.

Table 2. Average annual percent change in output per hour, unit labor costs, and related data, 1987-2010 — Continued

Industry	NAICS code	Average annual percent change, 1987-2010				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
Travel arrangement and reservation services ³	5615	8.3	3.4	-4.5	0.8	-2.6
Travel agencies.....	56151	6.0	4.1	-1.8	2.8	-1.2
Janitorial services.....	56172	1.9	3.6	1.6	5.3	1.7
Health Care and Social Assistance						
Medical and diagnostic laboratories ²	6215	3.2	6.3	3.0	6.0	-0.2
Medical laboratories ²	621511	2.8	5.6	2.8	5.5	-0.1
Diagnostic imaging centers ²	621512	3.8	7.4	3.5	7.2	-0.2
Arts, Entertainment, and Recreation						
Amusement and theme parks.....	71311	-0.5	2.2	2.7	6.0	3.7
Bowling centers.....	71395	0.2	-1.9	-2.1	1.0	2.9
Accommodation and Food Services						
Accommodation and food services.....	72	0.9	2.0	1.2	4.9	2.8
Accommodation.....	721	1.6	2.3	0.7	4.5	2.2
Traveler accommodation.....	7211	1.6	2.3	0.7	4.5	2.2
Food services and drinking places.....	722	0.7	2.0	1.3	5.1	3.1
Full-service restaurants.....	7221	0.6	1.9	1.3	5.9	3.9
Limited-service eating places.....	7222	0.8	2.3	1.4	4.9	2.6
Special food services.....	7223	1.3	2.4	1.0	3.5	1.1
Drinking places (alcoholic beverages).....	7224	-0.4	-0.8	-0.3	2.3	3.1
Other Services						
Automotive repair and maintenance.....	8111	0.7	1.0	0.3	3.5	2.5
Reupholstery and furniture repair.....	81142	-1.0	-3.4	-2.4	0.1	3.6
Personal care services.....	8121	1.8	3.1	1.2	5.3	2.1
Hair, nail and skin care services.....	81211	1.7	2.7	1.0	5.1	2.3
Funeral homes and funeral services.....	81221	-0.5	-0.5	0.0	3.8	4.3
Drycleaning and laundry services.....	8123	1.3	0.3	-1.0	2.5	2.1
Coin-operated laundries and drycleaners.....	81231	2.0	0.5	-1.5	2.2	1.7
Drycleaning and laundry services.....	81232	0.8	-1.1	-2.0	1.1	2.3
Linen and uniform supply.....	81233	0.9	1.6	0.7	3.9	2.3
Photofinishing.....	81292	2.3	-4.8	-7.0	-3.1	1.8

1 For NAICS industries 484, 4841, 48411, 493, 4931, 49311, and 49312, average annual percent changes are for 1992-2010.

2 For NAICS industries 561311, 6215, 621511, and 621512, average annual percent changes are for 1994-2010.

3 For NAICS industry 5615, average annual percent changes are for 1997-2010.