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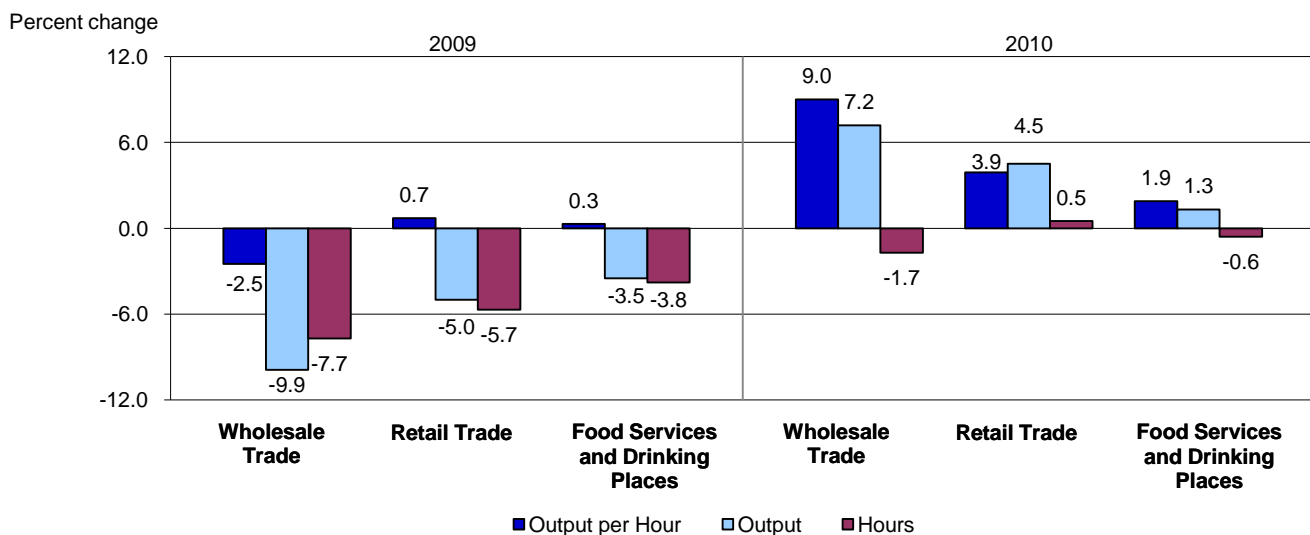
**PRODUCTIVITY AND COSTS BY INDUSTRY: WHOLESALE TRADE, RETAIL TRADE, AND FOOD SERVICES AND DRINKING PLACES INDUSTRIES, 2010**

**Labor productivity** – defined as output per hour – rose in wholesale trade, retail trade, and food services and drinking places, in 2010, the Bureau of Labor Statistics reported today. Productivity increased as follows:

9.0 percent in wholesale trade,  
3.9 percent in retail trade, and  
1.9 percent in food services and drinking places.

Productivity was higher in all three sectors in 2010 compared to 2009. (See chart 1.)

**Chart 1. Annual percent change in output per hour, output, and hours, 2009 and 2010**



Output grew in all three sectors, after declining in each sector in 2009. Hours fell in wholesale trade and in food services and drinking places but rose in retail trade, after declining in each of the sectors in 2009.

Productivity increased in 40 of the 50 detailed industries in 2010. (See table 1.) In most industries, growth resulted from increases in output that more than offset changes in hours. Output grew in 43 of the detailed industries and hours increased in 18. In the previous year, productivity rose in just over half of the detailed industries, as output grew in only five industries and hours declined in all but two.

**Unit labor costs**, which reflect the total labor costs required to produce a unit of output, also improved in 2010, declining in wholesale trade and in retail trade and growing less rapidly in food services and drinking places in 2010 compared to the previous year. Unit labor costs declined in 36 of the detailed industries in 2010, compared to 15 in 2009.

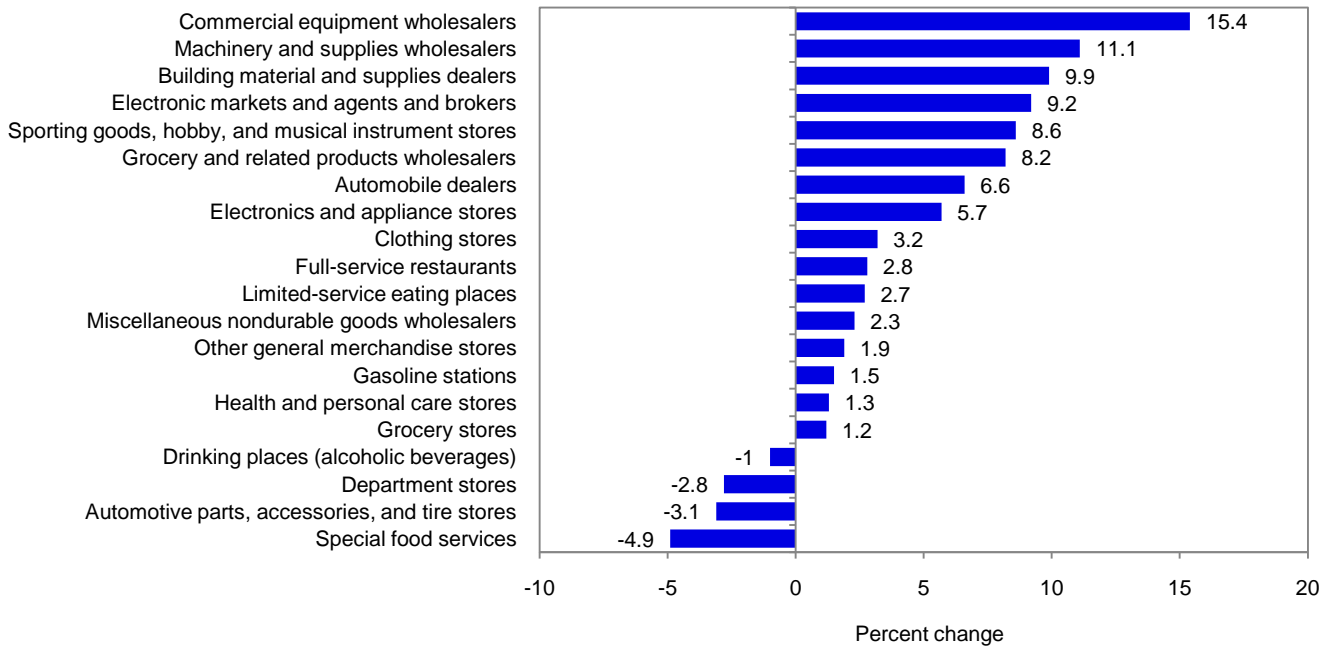
**In wholesale trade**, labor productivity rose 9.0 percent as output grew 7.2 percent and hours fell 1.7 percent. Output per hour increased in 15 of the 19 detailed wholesale trade industries in 2010. Output grew in 16 industries and hours rose in five. Productivity rose most rapidly in motor vehicles and parts wholesalers and in electric goods wholesalers. Unit labor costs declined in 14 industries.

**In retail trade**, labor productivity grew 3.9 percent, as output and hours increased by 4.5 and 0.5 percent, respectively. Output per hour rose in 23 of the 27 detailed retail trade industries in 2010. Output grew in 24 industries and hours increased in 11. The largest productivity increases were in florists, used merchandise stores, and lawn and garden equipment and supplies stores. Unit labor costs fell in 22 industries.

**In food services and drinking places**, labor productivity increased 1.9 percent as output grew 1.3 percent and hours declined 0.6 percent. Output per hour rose in two of the four detailed food services and drinking places industries in 2010. Output increased in three industries and hours grew in two. Unit labor costs rose in all 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, commercial equipment wholesalers recorded the largest productivity increase while special food services 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, 2009-2010**



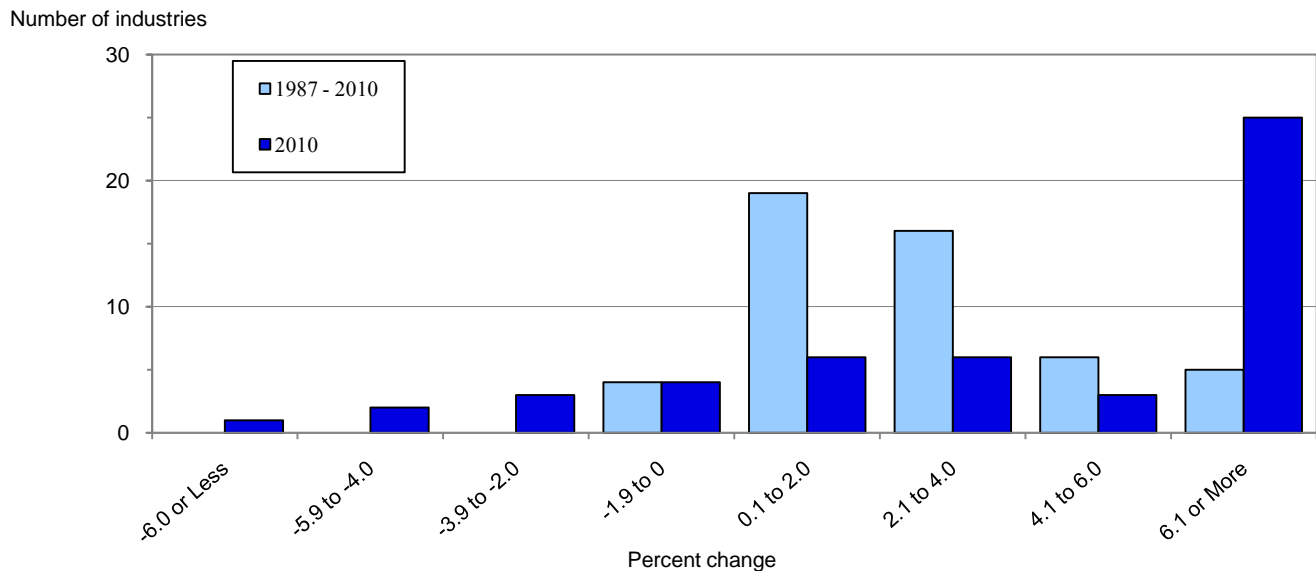
Over the longer term (1987 to 2010), average annual productivity growth in the wholesale trade, retail trade, and food services and drinking places sectors advanced more slowly than in 2010. From 1987 to 2010, output per hour increased at the following average annual rates:

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

The number of detailed industries registering productivity increases over the long term, however, was greater than the number of industries recording productivity increases in 2010. Productivity increased in 46 of the 50 detailed industries from 1987 to 2010. (See table 2.)

Chart 3 compares the distribution of average annual percent changes in labor productivity from 1987 to 2010 with the distribution of changes in 2010 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, 1987-2010 and 2010**



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.

Between 1987 and 2010, unit labor costs rose in wholesale trade and in food services and drinking places; unit labor costs in retail trade were unchanged. Unit labor costs fell in 16 of the detailed industries over the period.

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. 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. 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 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 (February 2011), Monthly Wholesale Trade Survey (April 2011), Annual Retail Trade Survey (March 2011), and the Annual Revision of the Monthly Retail and Food Services: Sales and Inventories (April 2011), as well as data from the Census Bureau's 2007 Economic

Census. 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 2011. 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.

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](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.

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**Table 1. Percent change in output per hour, output, hours, compensation, and unit labor costs, 2009-2010**

NAICS code	Industry	2010 Employment (thousands)	Percent change, 2009-2010				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
<b>Wholesale Trade</b>							
42	Wholesale trade	5628	9.0	7.2	-1.7	1.3	-5.5
423	Durable goods	2807	14.4	11.5	-2.5	0.0	-10.3
4231	Motor vehicles and parts	318	21.7	19.0	-2.2	0.5	-15.5
4232	Furniture and furnishings	98	10.1	6.0	-3.7	0.6	-5.2
4233	Lumber and construction supplies	192	11.1	3.1	-7.2	-6.1	-9.0
4234	Commercial equipment	615	15.4	11.4	-3.4	-0.3	-10.5
4235	Metals and minerals	111	8.3	4.9	-3.1	-1.2	-5.8
4236	Electric goods	320	20.4	16.9	-2.9	0.2	-14.3
4237	Hardware and plumbing	222	11.6	6.3	-4.7	-3.0	-8.8
4238	Machinery and supplies	621	11.1	8.7	-2.2	0.7	-7.4
4239	Miscellaneous durable goods	308	0.0	4.3	4.3	5.8	1.4
424	Nondurable goods	2011	3.7	2.8	-0.8	1.3	-1.5
4241	Paper and paper products	128	-2.6	-2.6	0.0	-2.0	0.6
4242	Druggists' goods	193	1.8	-2.3	-4.1	-2.8	-0.5
4243	Apparel and piece goods	149	1.0	3.3	2.2	13.8	10.2
4244	Grocery and related products	735	8.2	6.4	-1.7	1.6	-4.5
4245	Farm product raw materials	81	9.5	12.4	2.6	2.9	-8.4
4246	Chemicals	122	13.8	7.6	-5.5	-0.2	-7.3
4247	Petroleum	97	-0.8	1.3	2.1	-2.0	-3.3
4248	Alcoholic beverages	162	-6.8	-0.3	7.0	1.9	2.2
4249	Miscellaneous nondurable goods	344	2.3	0.3	-2.0	1.5	1.2
425	Electronic markets and agents and brokers	810	9.2	8.5	-0.6	5.8	-2.5
4251	Electronic markets and agents and brokers	810	9.2	8.5	-0.6	5.8	-2.5
<b>Retail Trade</b>							
44-45	Retail trade	15300	3.9	4.5	0.5	1.2	-3.2
441	Motor vehicle and parts dealers	1685	4.4	4.6	0.2	3.6	-1.0
4411	Automobile dealers	1040	6.6	5.5	-1.0	4.1	-1.3
4412	Other motor vehicle dealers	133	7.1	-1.5	-8.1	-4.5	-3.1
4413	Auto parts, accessories, and tire stores	512	-3.1	1.5	4.8	4.8	3.3
442	Furniture and home furnishings stores	481	5.2	6.0	0.7	-0.1	-5.7
4421	Furniture stores	233	3.9	6.8	2.8	-0.1	-6.5
4422	Home furnishings stores	248	6.8	5.1	-1.6	0.0	-4.9
443	Electronics and appliance stores	520	5.7	11.6	5.6	7.0	-4.2
4431	Electronics and appliance stores	520	5.7	11.6	5.6	7.0	-4.2
444	Building material and garden supply stores	1168	10.6	6.9	-3.4	-2.8	-9.1
4441	Building material and supplies dealers	1024	9.9	6.8	-2.9	-3.1	-9.3
4442	Lawn and garden equipment and supplies stores	144	16.0	7.7	-7.2	-0.2	-7.3
445	Food and beverage stores	2912	1.6	1.3	-0.3	0.2	-1.1
4451	Grocery stores	2522	1.2	1.2	0.0	0.3	-0.8
4452	Specialty food stores	239	-0.5	0.4	0.9	3.7	3.3
4453	Beer, wine and liquor stores	151	11.7	2.9	-7.9	-7.7	-10.3
446	Health and personal care stores	1009	1.3	1.3	0.0	0.7	-0.6
4461	Health and personal care stores	1009	1.3	1.3	0.0	0.7	-0.6
447	Gasoline stations	828	1.5	1.0	-0.5	-0.3	-1.3
4471	Gasoline stations	828	1.5	1.0	-0.5	-0.3	-1.3
448	Clothing and clothing accessories stores	1480	4.9	4.8	-0.1	1.4	-3.2
4481	Clothing stores	1114	3.2	5.1	1.8	1.5	-3.5
4482	Shoe stores	189	5.8	5.0	-0.8	5.7	0.7
4483	Jewelry, luggage, and leather goods stores	176	11.2	2.9	-7.5	-1.3	-4.1

**Table 1. Percent change in output per hour, output, hours, compensation, and unit labor costs, 2009-2010**

NAICS code	Industry	2010 Employment (thousands)	Percent change, 2009-2010				
			Output per hour	Output	Hours	Labor compensation	Unit labor costs
451	Sporting goods, hobby, book, and music stores	669	9.3	5.6	-3.4	2.8	-2.6
4511	Sporting goods and musical instrument stores	515	8.6	8.1	-0.4	6.2	-1.7
4512	Book, periodical, and music stores	155	11.7	-1.9	-12.2	-6.8	-5.0
452	General merchandise stores	2983	0.3	4.2	3.9	0.6	-3.4
4521	Department stores	1488	-2.8	1.2	4.2	1.2	0.0
4529	Other general merchandise stores	1495	1.9	5.6	3.6	0.1	-5.2
453	Miscellaneous store retailers	934	6.9	5.6	-1.2	1.5	-3.8
4531	Florists	93	17.9	10.8	-6.1	7.1	-3.3
4532	Office supplies, stationery and gift stores	335	4.0	0.2	-3.6	0.3	0.1
4533	Used merchandise stores	174	16.5	19.3	2.4	-0.7	-16.8
4539	Other miscellaneous store retailers	332	5.4	5.8	0.4	2.4	-3.2
454	Nonstore retailers	633	8.3	12.2	3.5	0.9	-10.0
4541	Electronic shopping and mail-order houses	304	10.9	16.2	4.8	7.1	-7.8
4542	Vending machine operators	52	11.5	5.8	-5.1	-11.5	-16.4
4543	Direct selling establishments	277	-4.0	-0.1	4.0	-5.7	-5.6
<b>Food Services and Drinking Places</b>							
722	Food services and drinking places	9566	1.9	1.3	-0.6	3.0	1.6
7221	Full-service restaurants	4500	2.8	1.9	-0.8	3.5	1.6
7222	Limited-service eating places	4041	2.7	1.7	-0.9	2.5	0.7
7223	Special food services	661	-4.9	-3.5	1.6	1.8	5.4
7224	Drinking places, alcoholic beverages	364	-1.0	1.1	2.1	4.0	2.9

**Table 2. Average annual percent change in output per hour, output, hours, compensation, and unit labor costs, 1987-2010**

NAICS code	Industry	Average annual percent change, 1987-2010				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
<b>Wholesale Trade</b>						
42	Wholesale trade	3.2	3.4	0.2	4.1	0.7
423	Durable goods	4.9	4.8	-0.1	3.9	-0.8
4231	Motor vehicles and parts	3.3	2.7	-0.6	3.1	0.4
4232	Furniture and furnishings	1.9	1.2	-0.7	3.5	2.3
4233	Lumber and construction supplies	1.5	1.4	0.0	2.4	0.9
4234	Commercial equipment	14.7	14.9	0.1	4.5	-9.1
4235	Metals and minerals	-0.9	-1.3	-0.4	3.4	4.8
4236	Electric goods	8.5	7.8	-0.7	4.1	-3.4
4237	Hardware and plumbing	1.6	1.9	0.3	4.0	2.1
4238	Machinery and supplies	1.9	1.6	-0.3	3.7	2.1
4239	Miscellaneous durable goods	0.8	1.6	0.8	4.8	3.1
424	Nondurable goods	1.5	1.6	0.0	4.3	2.8
4241	Paper and paper products	1.3	0.3	-1.0	2.9	2.6
4242	Druggists' goods	3.9	5.3	1.3	8.7	3.3
4243	Apparel and piece goods	2.5	2.1	-0.4	3.8	1.7
4244	Grocery and related products	1.4	2.0	0.6	4.4	2.4
4245	Farm product raw materials	2.1	-0.1	-2.1	4.0	4.1
4246	Chemicals	0.6	0.8	0.2	4.0	3.2
4247	Petroleum	2.5	0.3	-2.2	2.6	2.3
4248	Alcoholic beverages	0.0	1.8	1.8	4.8	3.0
4249	Miscellaneous nondurable goods	0.1	-0.3	-0.3	3.2	3.4
425	Electronic markets and agents and brokers	1.8	4.0	2.2	4.5	0.5
4251	Electronic markets and agents and brokers	1.8	4.0	2.2	4.5	0.5
<b>Retail Trade</b>						
44-45	Retail trade	2.9	3.3	0.3	3.2	0.0
441	Motor vehicle and parts dealers	1.9	2.1	0.2	3.0	0.9
4411	Automobile dealers	2.0	2.0	0.1	2.9	0.8
4412	Other motor vehicle dealers	2.5	2.9	0.4	4.0	1.1
4413	Auto parts, accessories, and tire stores	1.4	2.0	0.5	3.2	1.2
442	Furniture and home furnishings stores	3.8	3.3	-0.4	2.5	-0.8
4421	Furniture stores	3.1	2.8	-0.3	2.1	-0.7
4422	Home furnishings stores	4.6	3.9	-0.6	2.9	-1.0
443	Electronics and appliance stores	13.1	14.0	0.9	4.1	-8.7
4431	Electronics and appliance stores	13.1	14.0	0.9	4.1	-8.7
444	Building material and garden supply stores	2.8	3.5	0.7	3.3	-0.2
4441	Building material and supplies dealers	2.5	3.5	0.9	3.5	0.0
4442	Lawn and garden equipment and supplies stores	4.4	3.4	-1.0	2.1	-1.3
445	Food and beverage stores	0.4	0.2	-0.2	3.0	2.8
4451	Grocery stores	0.2	0.1	-0.1	3.2	3.1
4452	Specialty food stores	0.0	-0.6	-0.5	1.7	2.3
4453	Beer, wine and liquor stores	2.4	0.8	-1.5	1.7	0.9
446	Health and personal care stores	2.4	3.5	1.1	5.0	1.4
4461	Health and personal care stores	2.4	3.5	1.1	5.0	1.4
447	Gasoline stations	2.1	1.2	-0.8	2.3	1.1
4471	Gasoline stations	2.1	1.2	-0.8	2.3	1.1
448	Clothing and clothing accessories stores	4.6	4.1	-0.5	2.6	-1.3
4481	Clothing stores	4.9	4.7	-0.2	2.9	-1.7
4482	Shoe stores	3.3	2.2	-1.1	1.7	-0.5
4483	Jewelry, luggage, and leather goods stores	3.9	2.8	-1.0	2.4	-0.3



**Table 2. Average annual percent change in output per hour, output, hours, compensation, and unit labor costs, 1987-2010**

NAICS code	Industry	Average annual percent change, 1987-2010				
		Output per hour	Output	Hours	Labor compensation	Unit labor costs
451	Sporting goods, hobby, book, and music stores	4.2	4.1	-0.1	3.3	-0.8
4511	Sporting goods and musical instrument stores	4.9	5.1	0.3	3.7	-1.4
4512	Book, periodical, and music stores	2.6	1.6	-1.0	2.3	0.6
452	General merchandise stores	3.3	5.0	1.7	3.7	-1.2
4521	Department stores	0.6	1.7	1.1	2.4	0.7
4529	Other general merchandise stores	6.3	8.8	2.3	5.4	-3.1
453	Miscellaneous store retailers	3.8	3.5	-0.2	2.2	-1.3
4531	Florists	3.5	0.1	-3.4	0.3	0.2
4532	Office supplies, stationery and gift stores	5.9	5.0	-0.9	2.2	-2.6
4533	Used merchandise stores	5.0	6.2	1.1	3.6	-2.4
4539	Other miscellaneous store retailers	1.4	2.5	1.1	2.3	-0.2
454	Nonstore retailers	8.7	8.9	0.2	3.5	-5.0
4541	Electronic shopping and mail-order houses	11.3	15.2	3.5	7.4	-6.7
4542	Vending machine operators	0.8	-2.0	-2.8	0.4	2.4
4543	Direct selling establishments	2.9	1.3	-1.5	1.0	-0.3
	<b>Food Services and Drinking Places</b>					
722	Food services and drinking places	0.7	1.9	1.3	5.1	3.1
7221	Full-service restaurants	0.7	2.0	1.3	5.9	3.8
7222	Limited-service eating places	0.7	2.2	1.5	4.9	2.7
7223	Special food services	1.1	2.1	1.0	3.5	1.3
7224	Drinking places, alcoholic beverages	-0.4	-0.7	-0.3	2.3	3.0