

Labor Productivity Improves in Wholesale Sector 2006-2007

Labor productivity – defined as output per hour – increased in the wholesale sector in 2007 by 2.1 percent from 2006 to 2007, according to a new report from the Bureau of Labor Statistics. Unit labor costs increased as well.

Between 1987 and 2007, labor productivity in wholesale trade increased at a 3.3 percent average annual rate.

2006-2007

Output per hour grew in 12 of 19 detailed wholesale trade industries in 2007. (See table below.) Commercial equipment wholesalers experienced the largest productivity gain, 13.7 percent.

Sectors seeing decreases were motor vehicles and parts, lumber and construction supplies, metals and minerals, druggists' goods and miscellaneous durable and nondurable goods.

Unit labor costs fell in seven of the 19 de-

tailed industries, but rose 1.9 percent in wholesale trade overall.

At the subsector level, productivity advanced 2.2 percent in 2007 in durable goods and 1.7 percent in nondurable goods.

Long-Term Trends

From 1987 to 2007, labor productivity rose 3.3 percent per year in wholesale trade, on average. Output increased 4.1 percent per year and hours grew 0.7 percent per year. Labor productivity rose in 17 of the 19 detailed industries.

The fastest growth in output per hour occurred in commercial equipment wholesalers and electric goods wholesalers, 15.6 percent and 8.9 percent per year, respectively.

Unit labor costs rose in all but two of the wholesale trade industries over the period, and increased 0.9 percent per year overall in the wholesale trade sector.

Percent change in output per hour, output, hours, compensation, and unit labor costs 2006-2007

	2007 Employment (thousands)	Output per Hour	Output	Hours	Labor Comp.	Unit Labor Costs
Wholesale Trade	6227.0	2.1%	3.8%	1.7%	5.8%	1.9%
Durable Goods	3232.0	2.2	3.8	1.5	5.0	1.2
Motor Vehicles & Parts	369.0	-0.5	1.1	1.7	4.2	3.0
Furniture & Furnishings	120.0	0.4	3.2	2.8	2.1	-1.1
Lumber & Construction Supplies	266.0	-8.0	-11.4	-3.7	-3.0	9.5
Commercial Equipment	674.0	13.7	13.2	-0.4	7.5	-5.1
Metals & Minerals	134.0	-5.5	-3.5	2.2	5.1	8.9
Electric Goods	364.0	5.8	9.0	3.0	6.2	-2.6
Hardware & Plumbing	265.0	0.2	-1.4	-1.6	3.8	5.2
Machinery & Supplies	709.0	0.3	4.1	3.8	4.5	0.3
Miscellaneous Durable Goods	332.0	-3.2	2.0	5.3	6.1	4.1
Nondurable Goods	2160.0	1.7	3.6	1.9	4.6	1.0
Paper & Paper Products	145.0	6.9	-1.8	-8.1	-3.1	-1.3
Druggists' Goods	224.0	-4.9	0.5	5.7	6.5	6.0
Apparel & Piece Goods	163.0	1.2	3.8	2.6	0.3	-3.4
Grocery & Related Products	760.0	5.7	6.6	0.9	5.2	-1.3
Farm Product Raw Materials	76.0	6.0	3.6	-2.3	1.9	-1.6
Chemicals	140.0	1.5	4.1	2.6	5.5	1.3
Petroleum	103.0	-0.2	5.0	5.2	7.6	2.5
Alcoholic Beverages	158.0	1.0	4.9	3.8	5.1	0.2
Miscellaneous Nondurable Goods	391.0	-3.9	-0.1	4.0	6.1	6.2

Source: Bureau of
Labor Statistics