JUNE 2012

Fashion

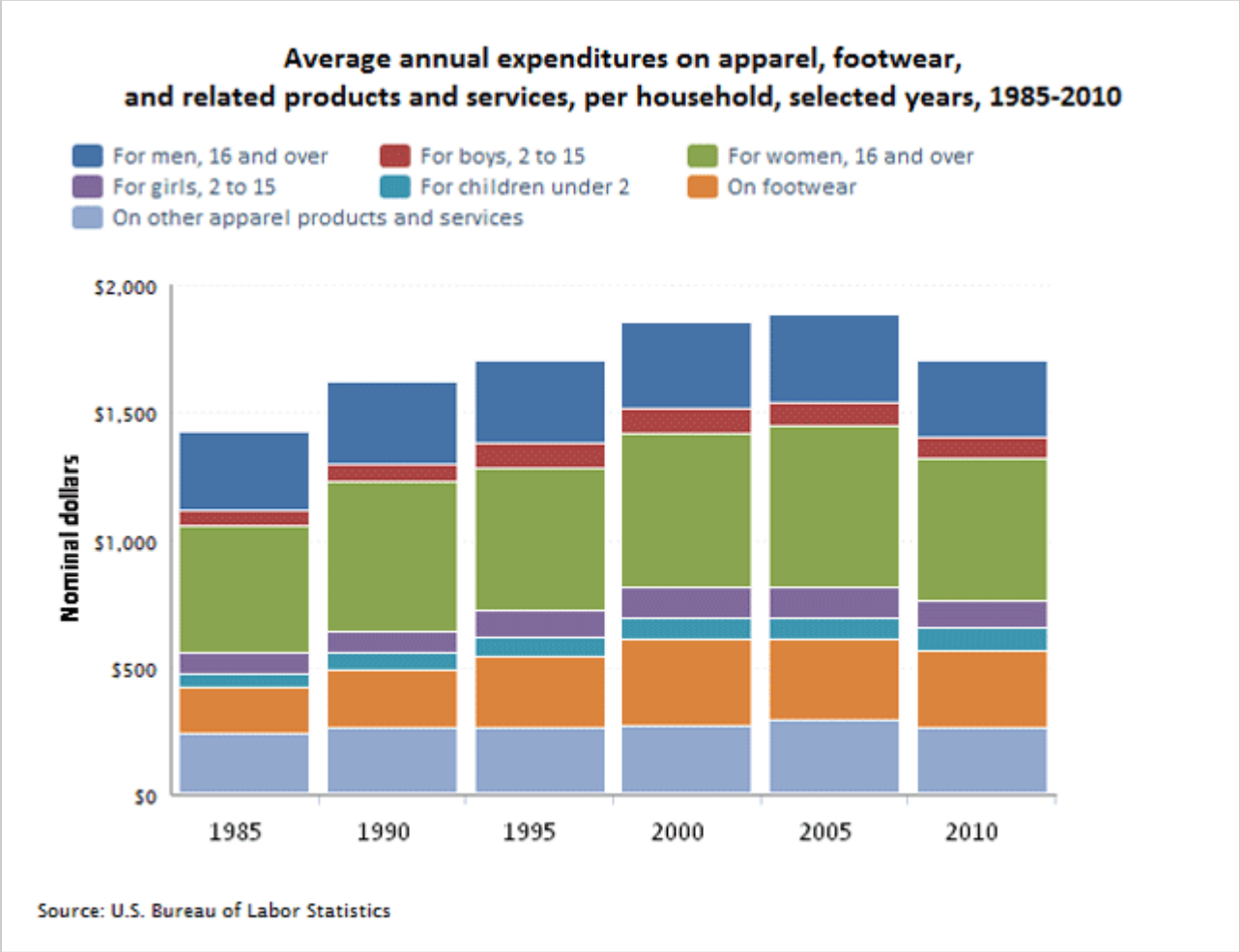
Throughout history, fashion has greatly influenced the “fabric” of societies all over the world. What people wear often characterizes who they are and what they do for a living. As Mark Twain once wrote, “Clothes make the man. Naked people have little or no influence on society.”

The fashion industry is a global industry, where fashion designers, manufacturers, merchandisers, and retailers from all over the world collaborate to design, manufacture, and sell clothing, shoes, and accessories. The industry is characterized by short product life cycles, erratic consumer demand, an abundance of product variety, and complex supply chains.

In this Spotlight, we take a look at the fashion industry's supply chain—including import and producer prices, employment in the apparel manufacturing and fashion-related wholesale and retail trade industries, labor productivity in the manufacturing sector and in selected textile and apparel industries, and consumer prices and expenditures on apparel-related items.

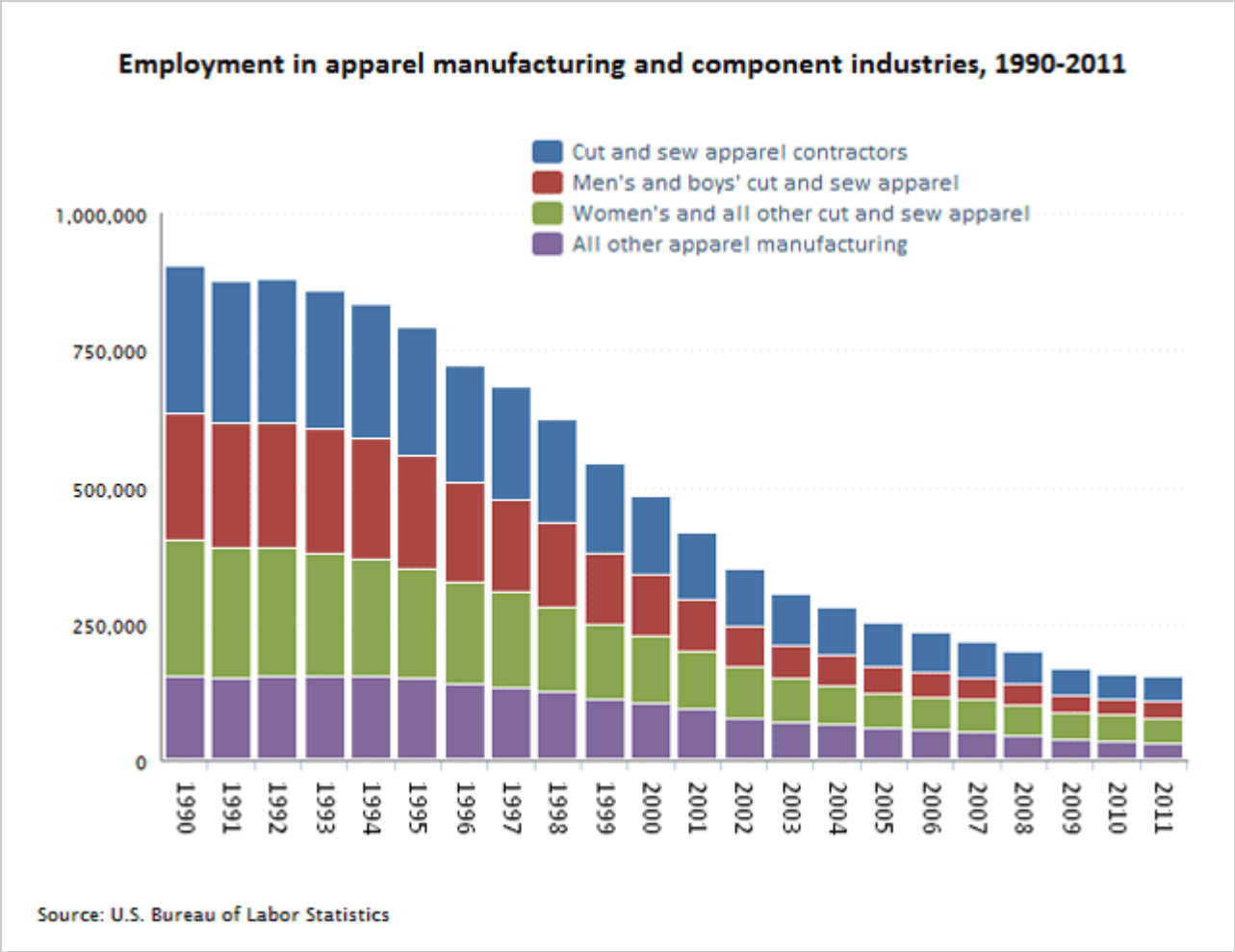
How Much Do Consumers Spend on Apparel?

In 2010, households spent, on average, $1,700 (in nominal terms) on apparel, footwear, and related products and services—3.5 percent of average annual expenditures. Since 1985, as a percentage of total apparel expenditures, households spent more, on average, on apparel designed for women aged 16 and over than any other apparel product or service.



Employment in Apparel Manufacturing

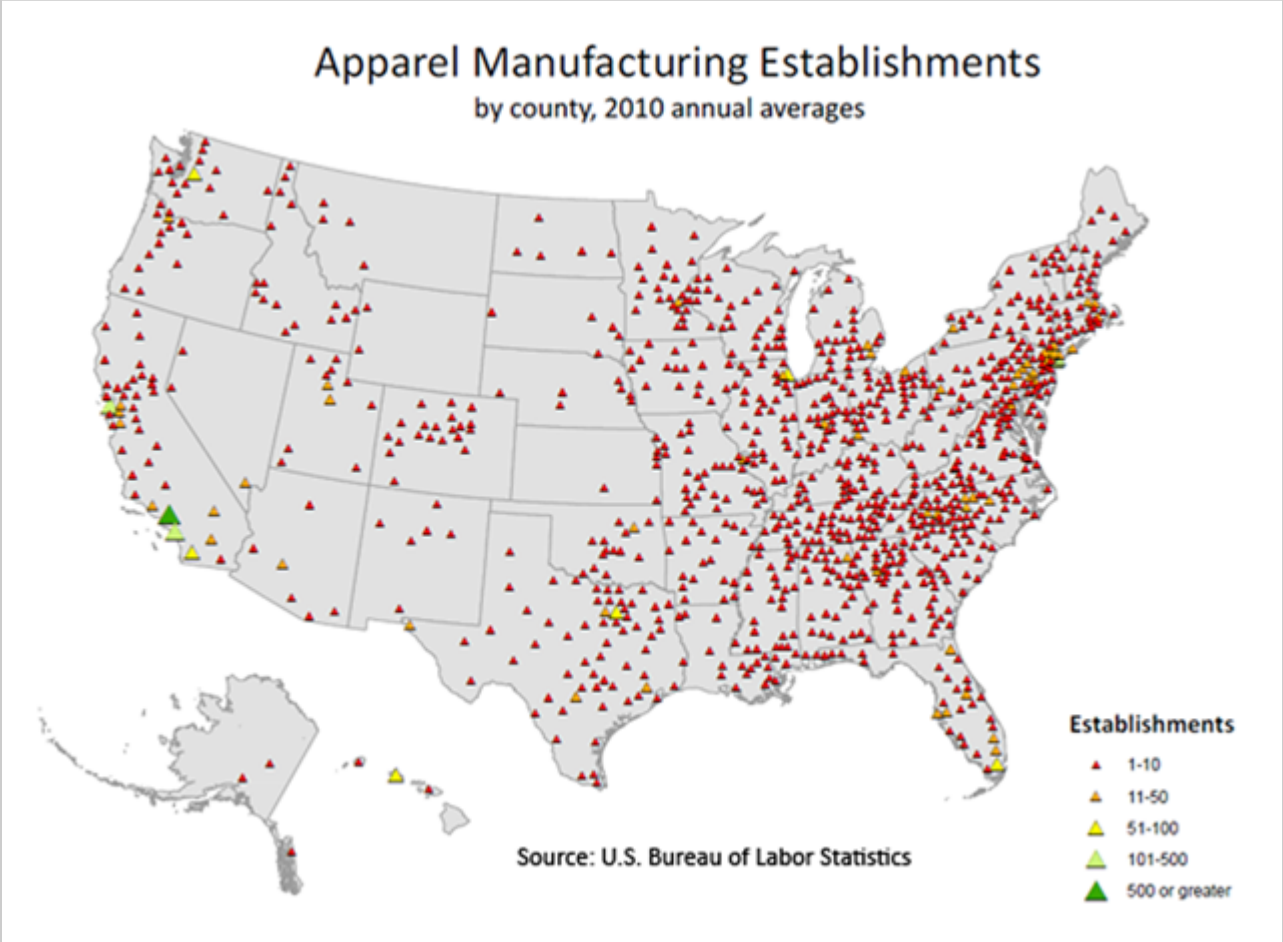
Employment in the apparel manufacturing industry has declined by more than 80 percent (from about 900,000 to 150,000 jobs) over the past two decades. The decline has been proportional throughout the apparel manufacturing component industries.



Where in the United States is Apparel Made?

The apparel manufacturing industry includes a diverse range of establishments manufacturing full lines of ready-to-wear and custom apparel; apparel contractors, performing cutting or sewing operations on materials owned by others; and tailors, manufacturing custom garments for individual clients. Knitting, when done alone, is classified in the textile mills subsector, but when knitting is combined with the production of complete garments, the activity is classified in the apparel manufacturing industry.

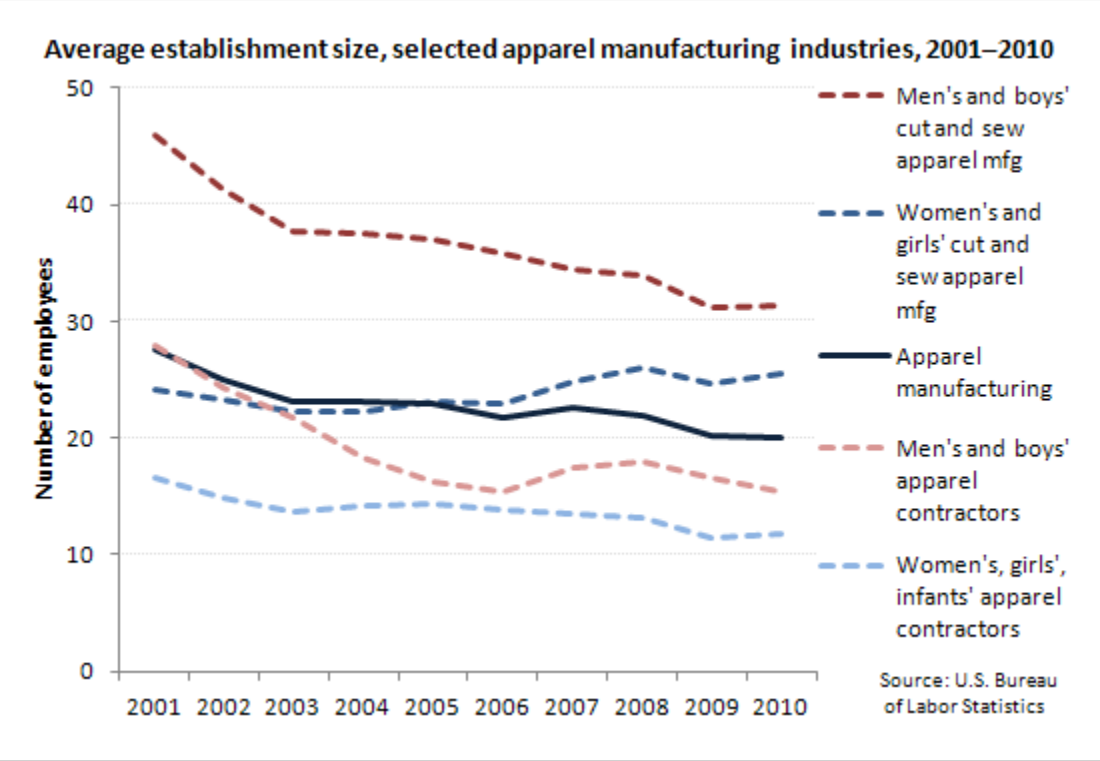
In 2010, there were 7,855 private business establishments in the apparel manufacturing industry, employing 157,587 workers—compared with 15,478 establishments and 426,027 workers in 2001. In 2010, only two U.S. counties had more than 500 business establishments—Los Angeles county, California (2,509) and New York county, New York (803).



Establishment Size - Manufacturing

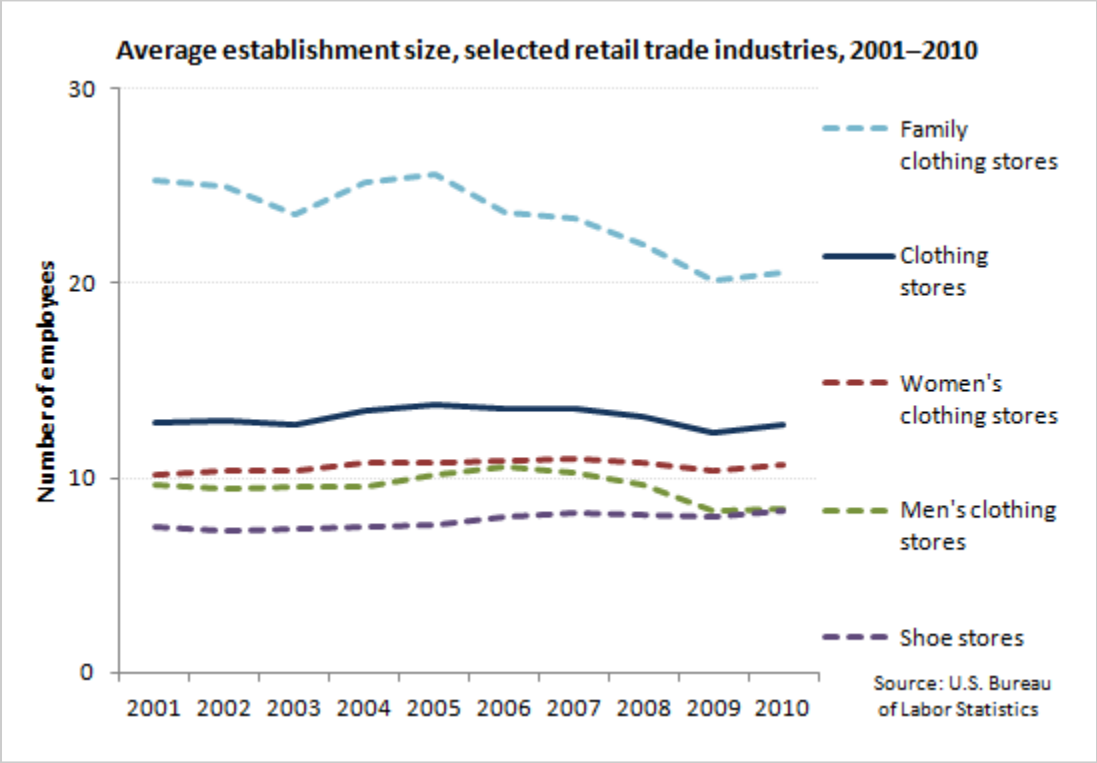
The average size of establishments (the number of employees at a typical workplace such as a factory or store) has declined in most apparel manufacturing industries in recent years, while it generally remained little changed in fashion-related retail trade industries.

In apparel manufacturing, the average number of employees per establishment declined from 28 to 20 over the 2001–2010 period, though it stayed about the same in women's and girls' cut and sew apparel manufacturing.



Establishment Size - Retail Trade

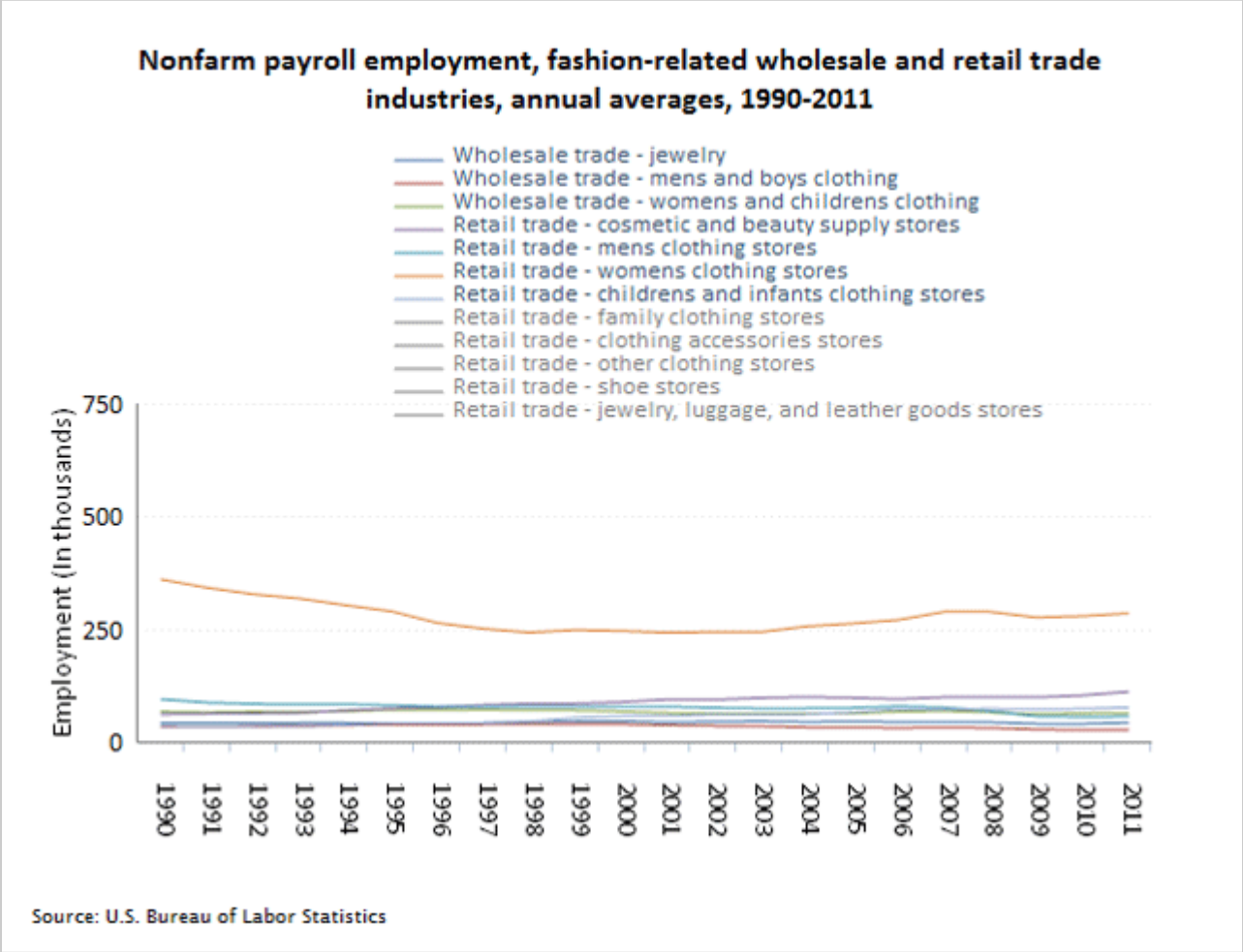
The average number of employees per establishment in clothing stores stayed near 13 during the 2001–2010 period, though it decreased from 25 to 21 in family clothing stores.



Wholesale and Retail Trade Employment

From 1990 to 2011, within the wholesale trade industry, employment in industries such as jewelry and women's and children's clothing experienced little or no change. However, over that period, employment in the men's and boy's clothing industry decreased 17.5 percent—from 32,000 jobs in 1990 to 26,400 jobs in 2011.

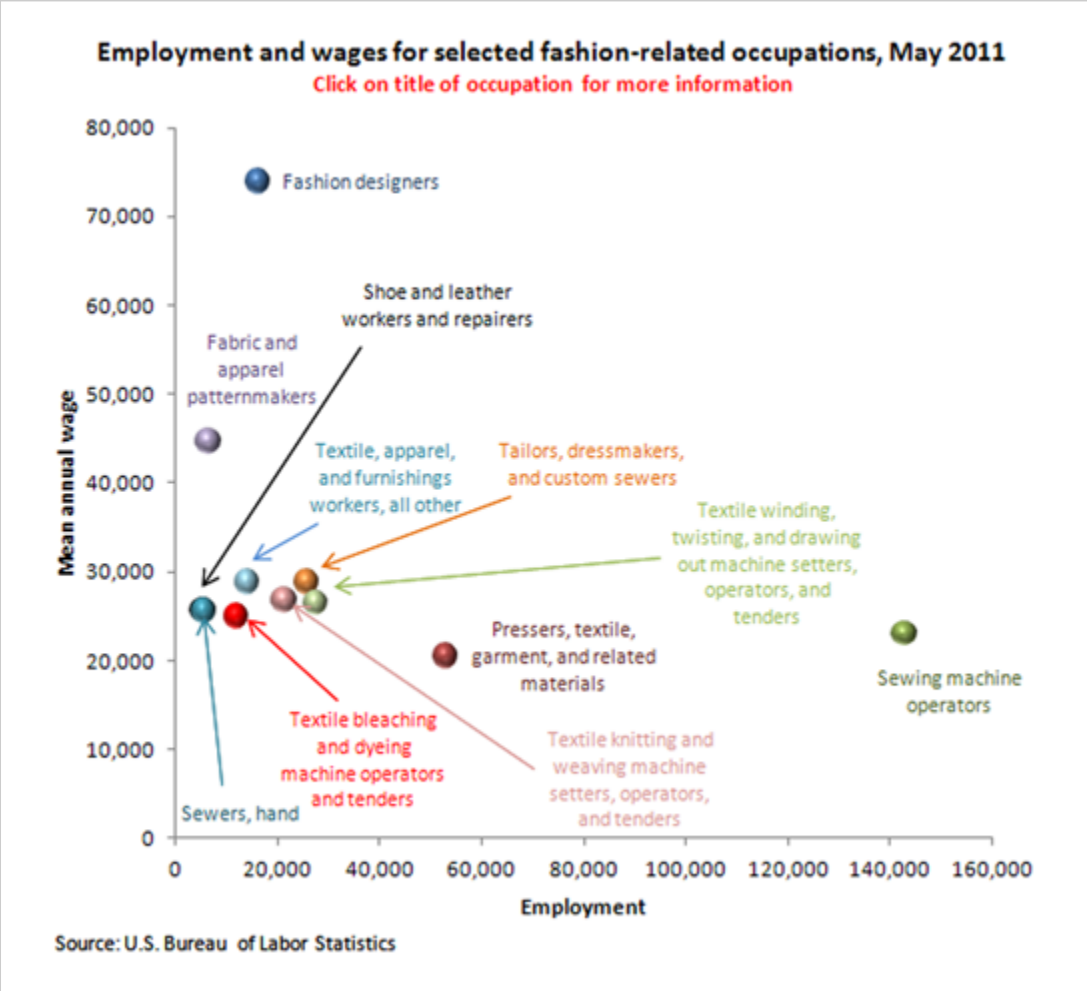
Within the retail trade industry, employment in men's and women's clothing stores, shoe stores, and jewelry, luggage, and leather goods stores decreased from 1990 to 2011. In contrast, industries such as children's and infant's clothing (118.6 percent), cosmetic and beauty supply stores (82.3 percent), family clothing (63.2 percent), and clothing accessories stores (57.0 percent) all experienced an increase in employment from 1990 to 2011. From 1990 to 2007, employment in family clothing stores increased from 273,700 jobs to 539,800 jobs, or 97.2 percent. Since 2007, the family clothing stores industry has lost 93,100 jobs, or 17.2 percent.



Fashion-related Occupations: Employment and Wages

In 2010, earnings in many occupations associated with apparel manufacturing were typically lower than the average for all occupations ($45,230). Among these occupations, fabric and apparel patternmakers—who use computer-aided design (CAD) software to determine the best layout of pattern pieces to minimize waste of material and to create a master pattern for each size within a range of garment sizes—earned an annual mean wage of $44,650. There were a total of 6,410 fabric and apparel patternmakers employed in 2010. Occupations such as textile and garment pressers, sewing machine operators, hand sewers, shoe and leather workers and repairers, and textile bleaching and dyeing machine operators and tenders earned a mean annual wage that was more than $15,000 below the average for all occupations. In 2010, sewing machine operators, with 142,860 workers, was the largest of these occupations.

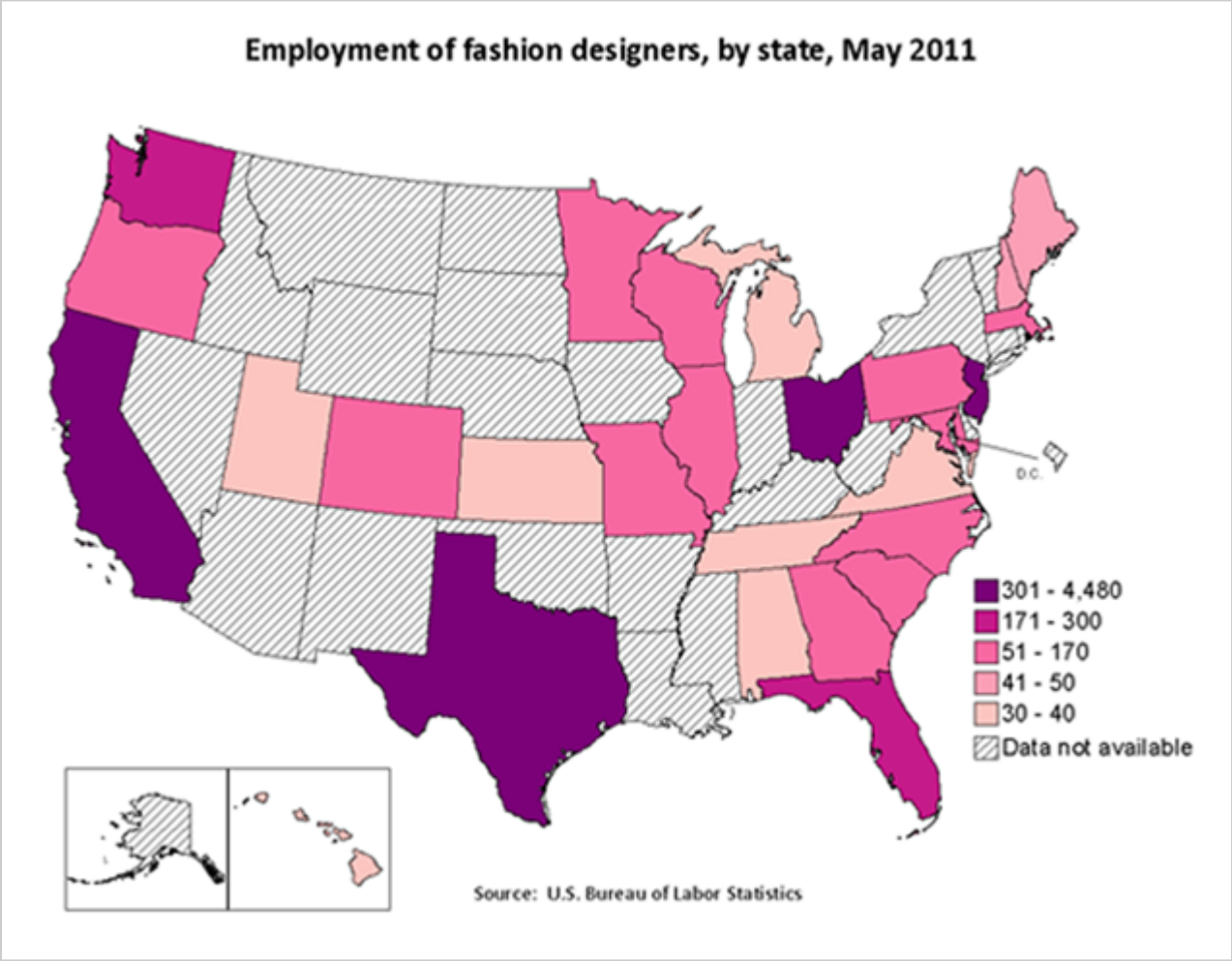
Fashion designers earned an annual mean wage of $73,930 in 2010, over $25,000 more than the average for all occupations. There were a total of 16,010 fashion designers employed in 2010.



Fashion Designers - Employment

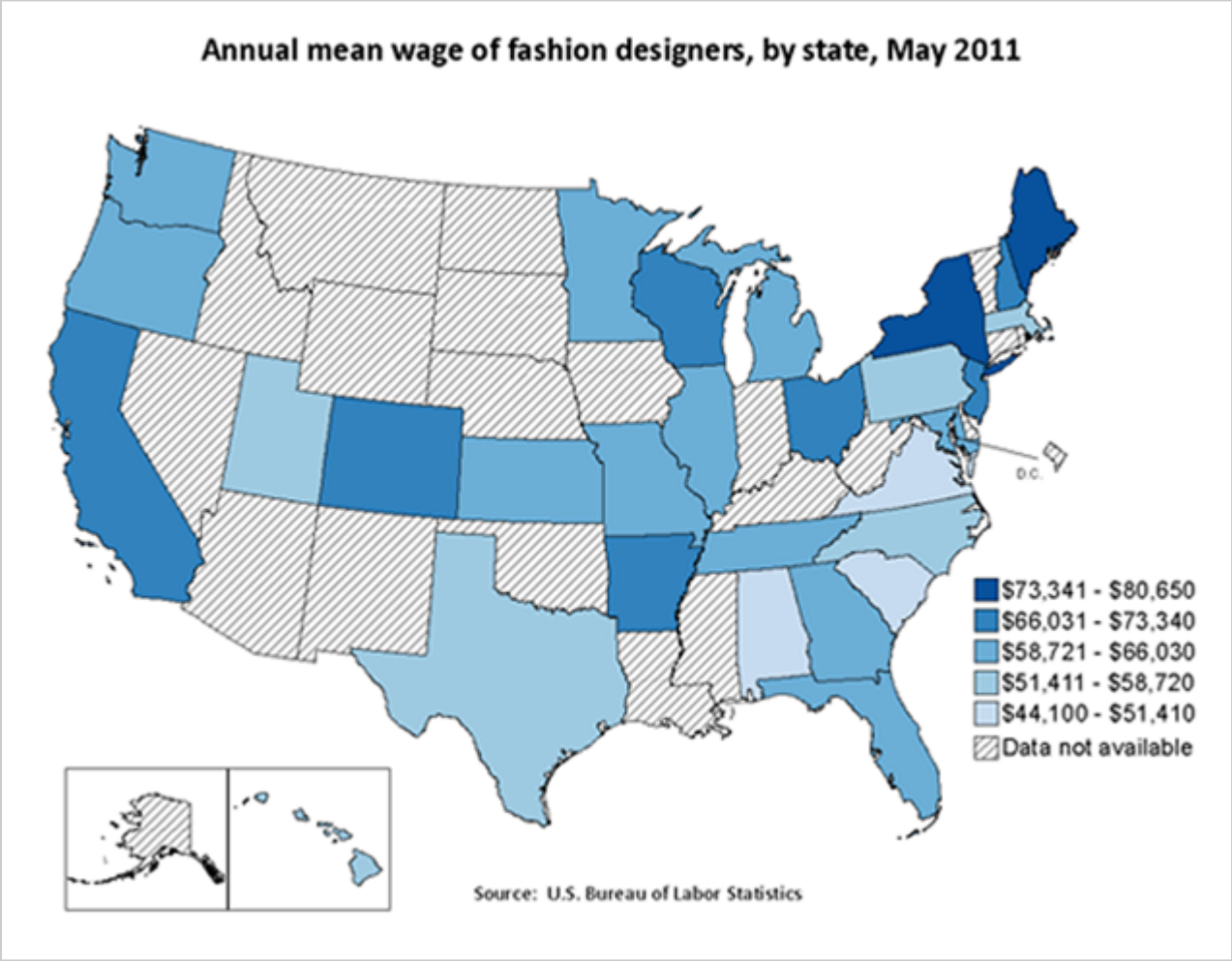
Fashion designers create original or exclusive custom-fitted clothing (e.g. haute couture), accessories, and footwear. In doing so, they must know how to sketch designs, select fabrics and patterns, and give instructions on how to make the products they design. Fashion designers work in wholesale or manufacturing establishments, apparel companies, retailers, theater or dance companies, and design firms.

Within the United States, most fashion designers work in large cities, such as New York or Los Angeles. In May 2010, almost 75 percent of all salaried fashion designers worked in New York and California. California led the nation, with a total of 4,480 employed fashion designers.



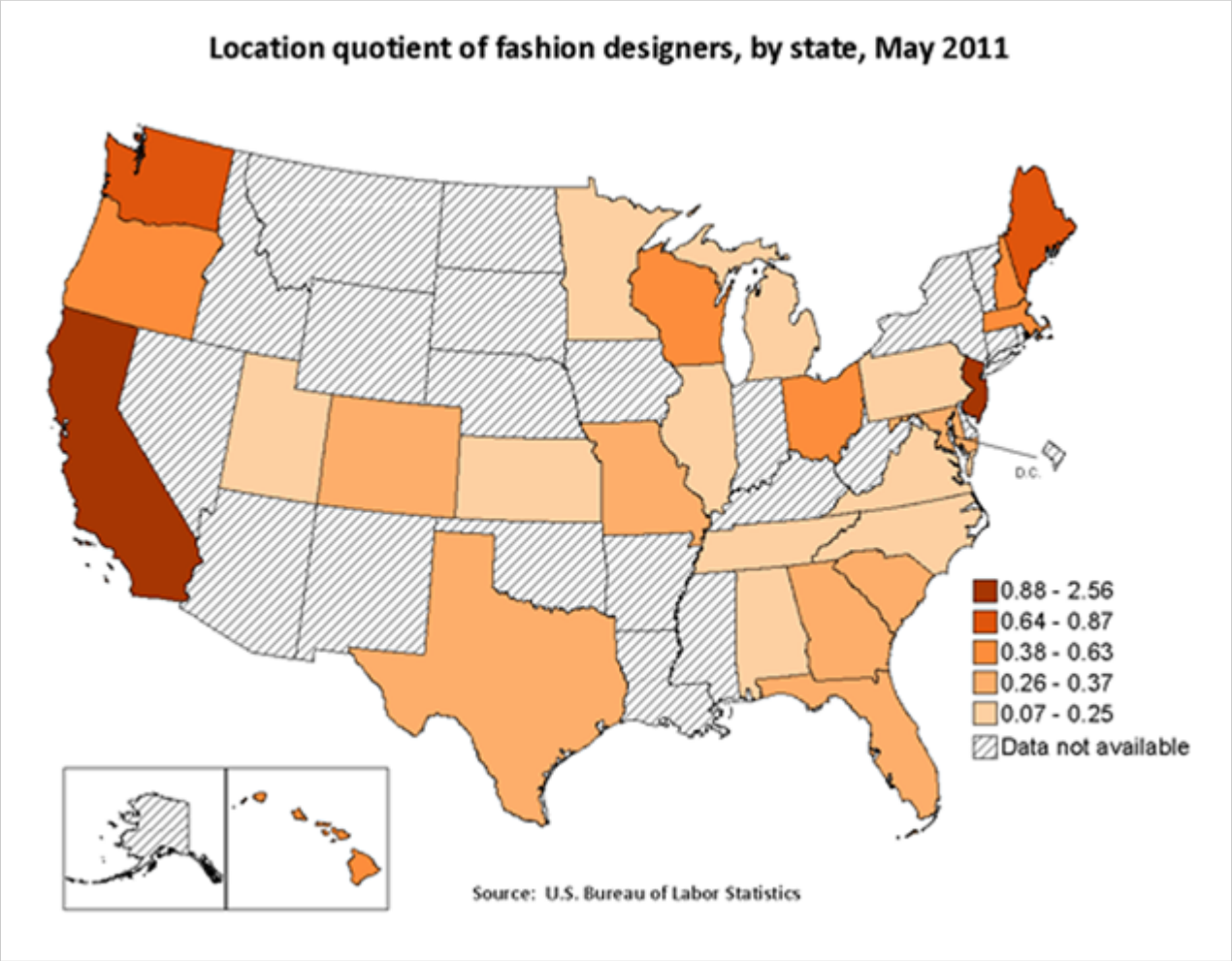
Fashion Designers - Annual Mean Wage

Across the country, the mean annual wage earned by fashion designers ranged from $44,100 for those employed in Virginia to $80,650 for those employed in Maine and New York.



Fashion Designers - Location Quotient

Among all states, California had the highest concentration of fashion designers. In general, location quotients are ratios that compare the concentration of a resource or activity, such as employment, in a defined area to that of a larger area or base. For example, location quotients can be used to compare State employment by occupation to that of the nation.



Fashion-related Occupations: Employment Outlook

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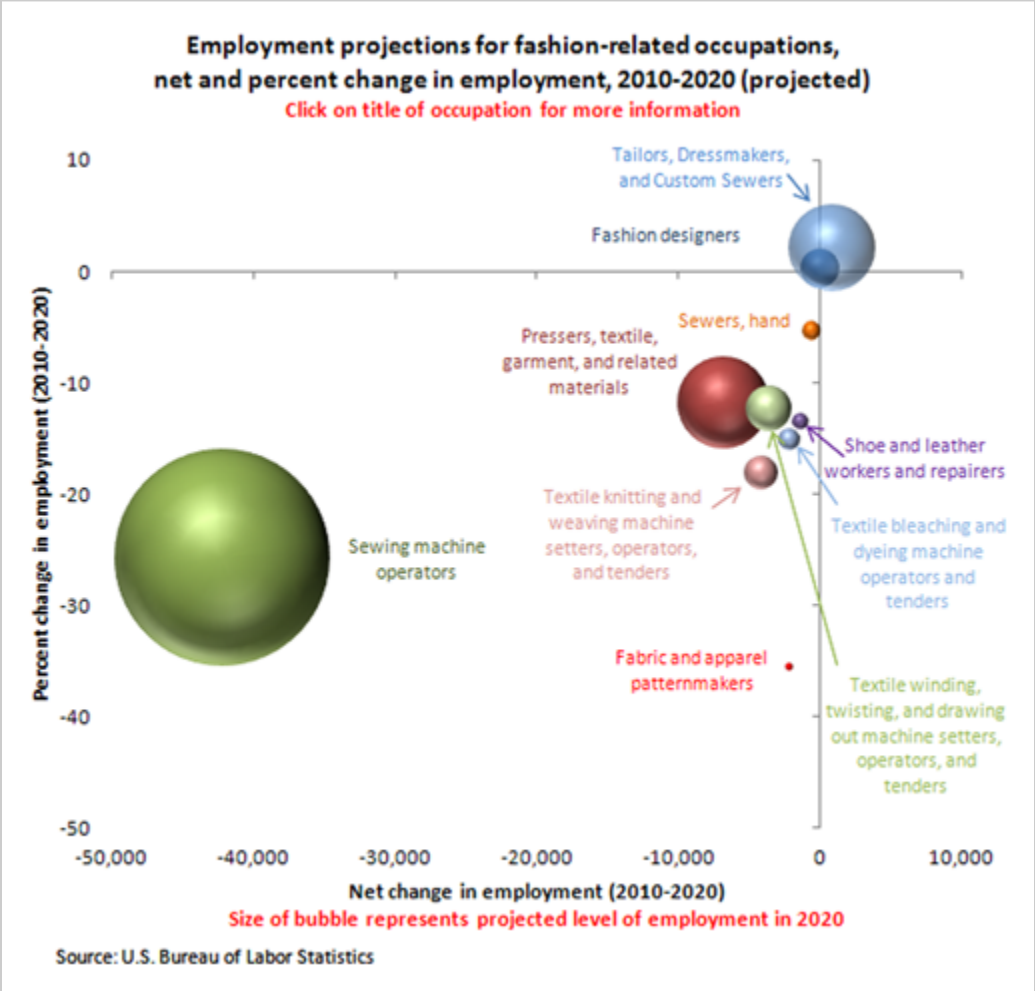
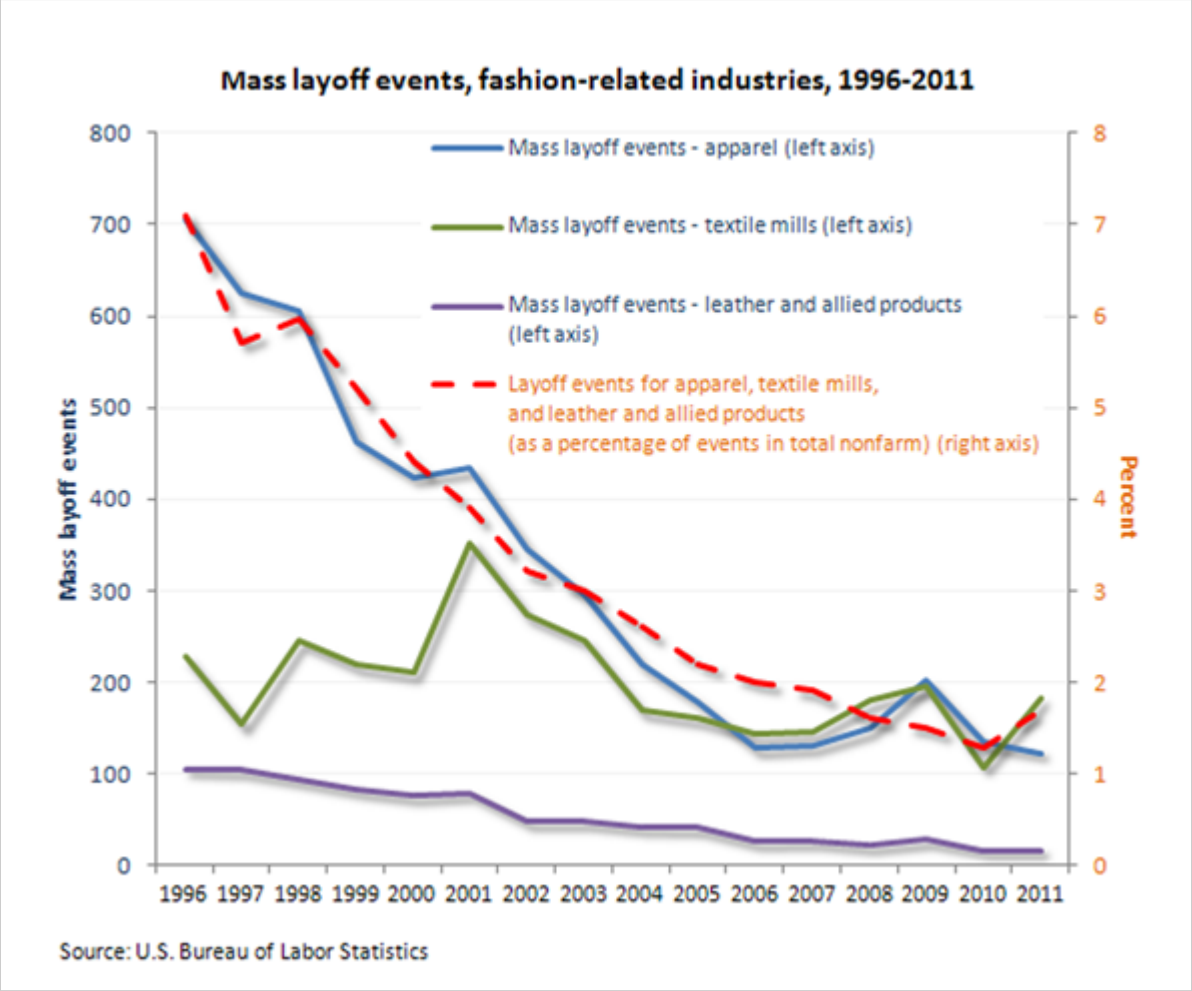


Mass Layoffs

From 1996 to 2011, the U.S. apparel manufacturing industry experienced many job losses—averaging 323 mass layoff events per year. During that period, the largest number of mass layoff events occurred in 1996, when the apparel manufacturing industry initiated a total of 706—leading to the filing of 67,511 initial claims for unemployment insurance benefits.

From 1996 to 2011, textile mills averaged a total of 200 mass layoff events per year, while leather and allied product manufacturers averaged 54 events per year. In 1996, apparel, textile mill, and leather and allied product manufacturers initiated a total of 1,040 mass layoff events—representing 7.1 percent of all mass layoff events in nonfarm establishments.

A mass layoff event occurs when fifty or more initial claims for unemployment insurance benefits are filed against an employer during a 5-week period, regardless of the duration of the layoff.

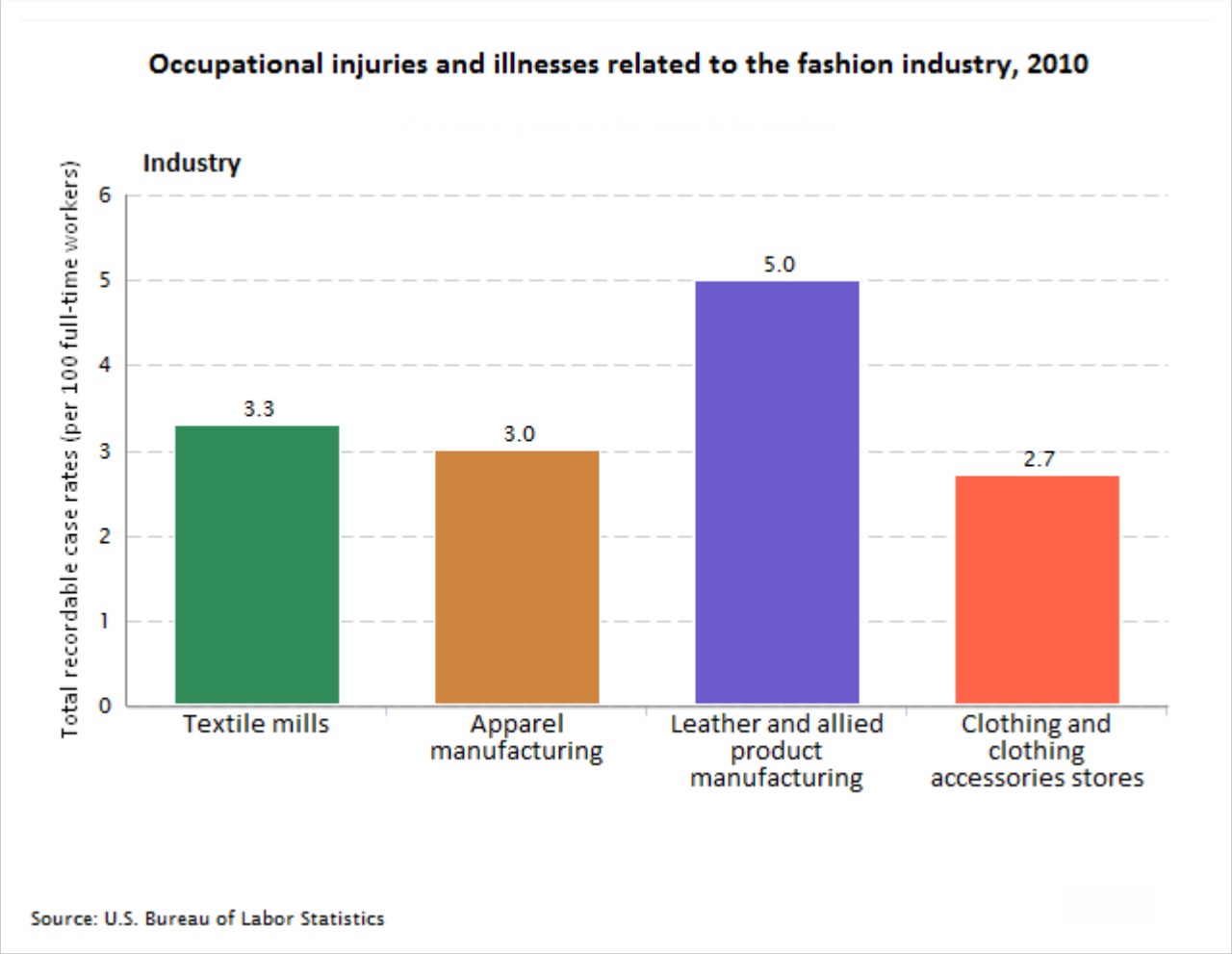


Injury and Illness Rates

A comparison of fashion-related industries shows that the rate of injuries varied among industries in 2010. Employees in thread mills had a higher than average injury rate of 6.7 per 100 full-time workers, whereas employees in yarn texturizing, throwing, and twisting thread mills suffered fewer injuries and illnesses at 1.8 percent.

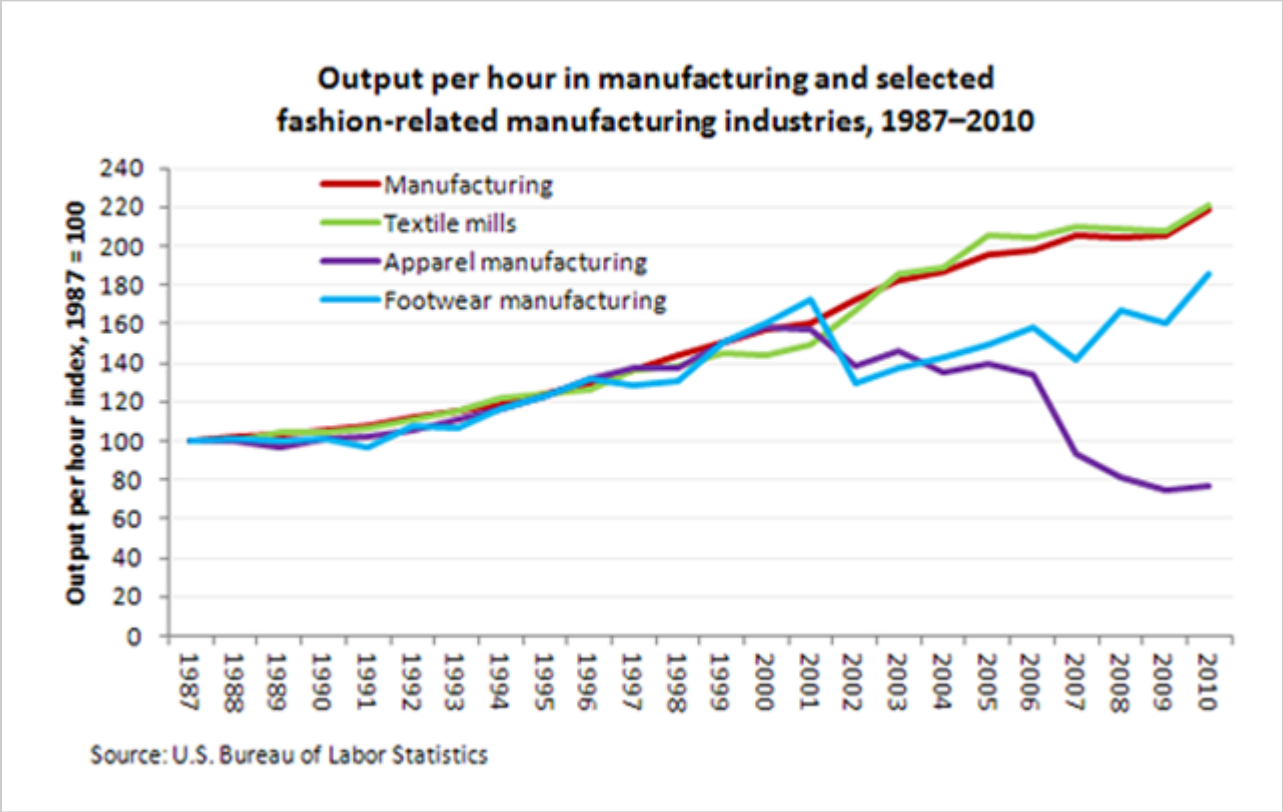
In apparel manufacturing, the injury and illness rates in glove and mitten manufacturing, at 8.8 percent, was the highest of all measured occupations related to the fashion industry. Men's footwear (except athletic) manufacturing had a rate of 7.6 percent, compared with other footwear manufacturing at 3.6 percent.

This is an interactive chart. Click on the columns to go deeper into the category.



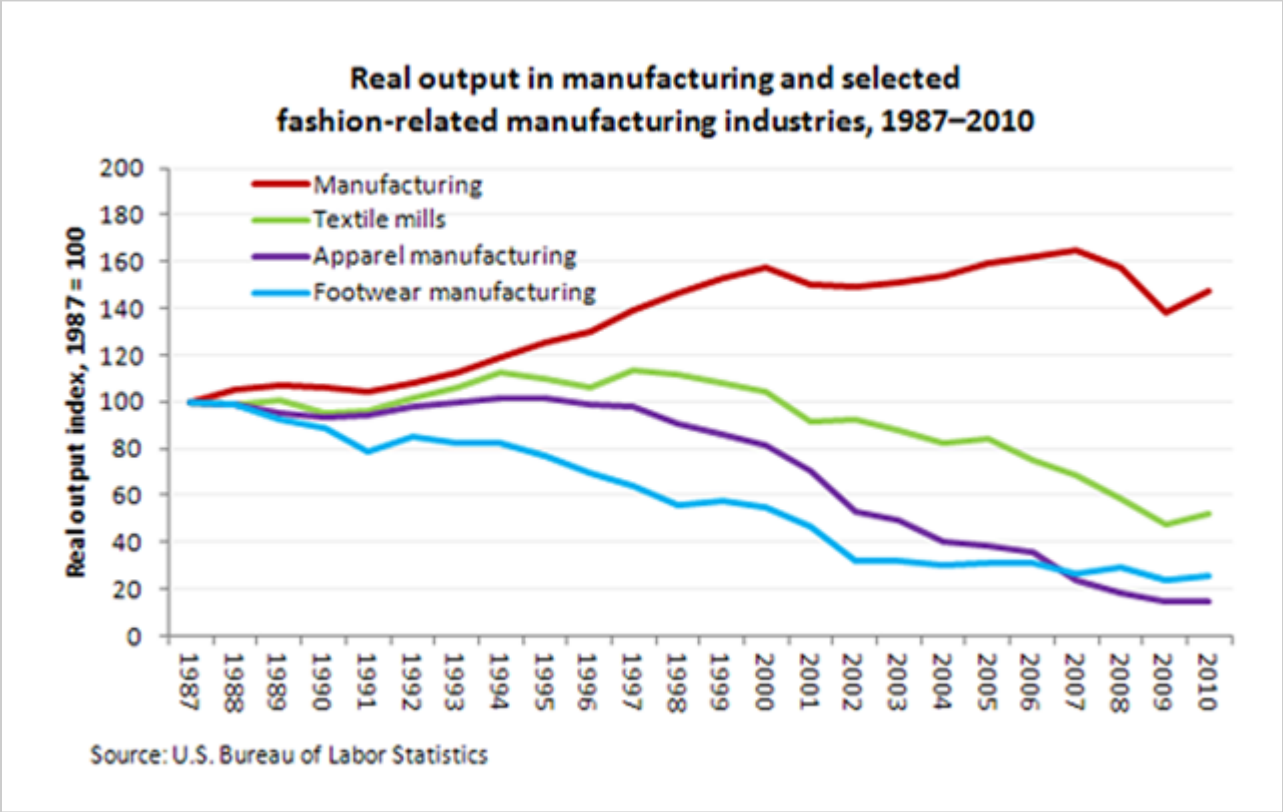
Productivity - Output Per Hour

Productivity, a key measure of efficiency, is the amount of output produced per hour of work. Labor productivity in the U.S. manufacturing sector more than doubled from 1987 to 2010. Labor productivity also more than doubled over that period in U.S. textile mills and nearly doubled in footwear manufacturing. Labor productivity in apparel manufacturing followed a different pattern; it grew at about the same rate as overall manufacturing productivity from 1987 to 2000 but generally declined from 2000 to 2010.



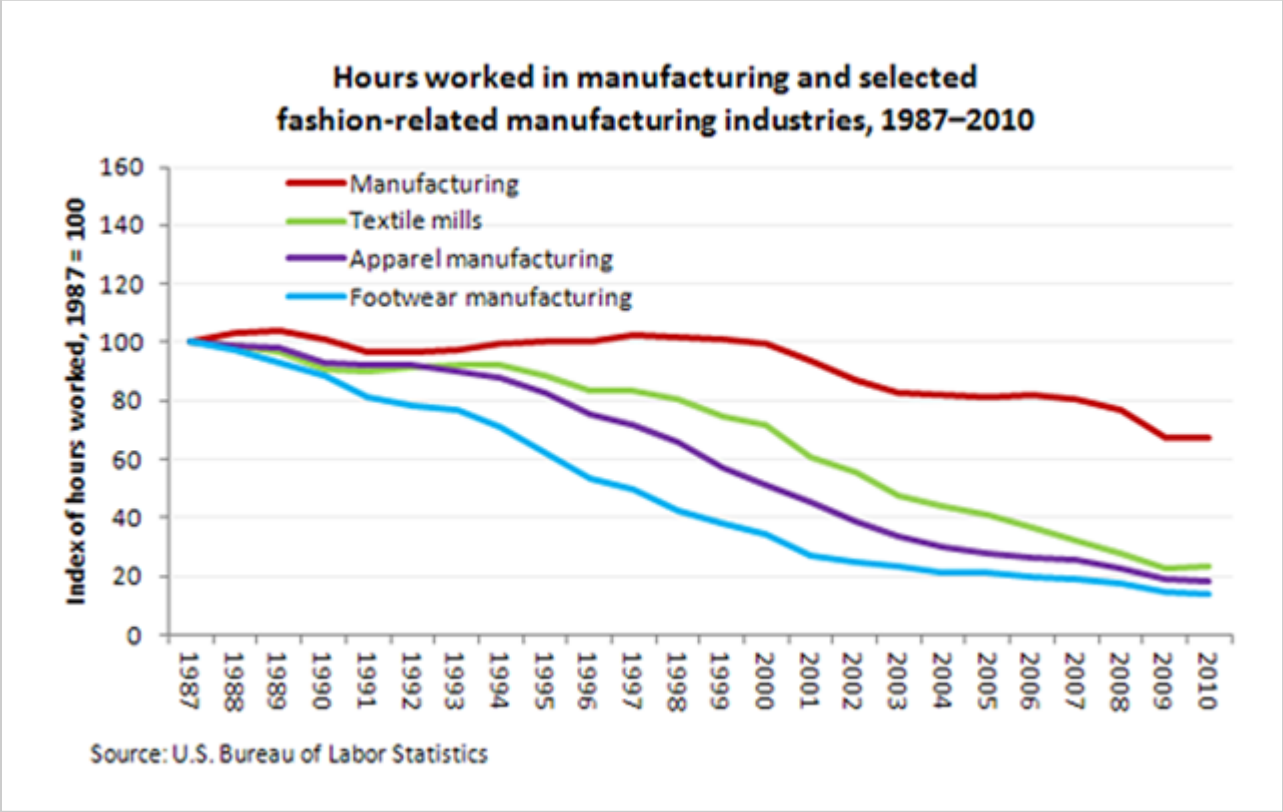
Productivity - Real Output

U.S. manufacturing output was nearly 50 percent higher in 2010 than in 1987 after adjusting for inflation, but real output in U.S. textile, apparel, and footwear manufacturing, declined substantially over the 1987–2010 period.



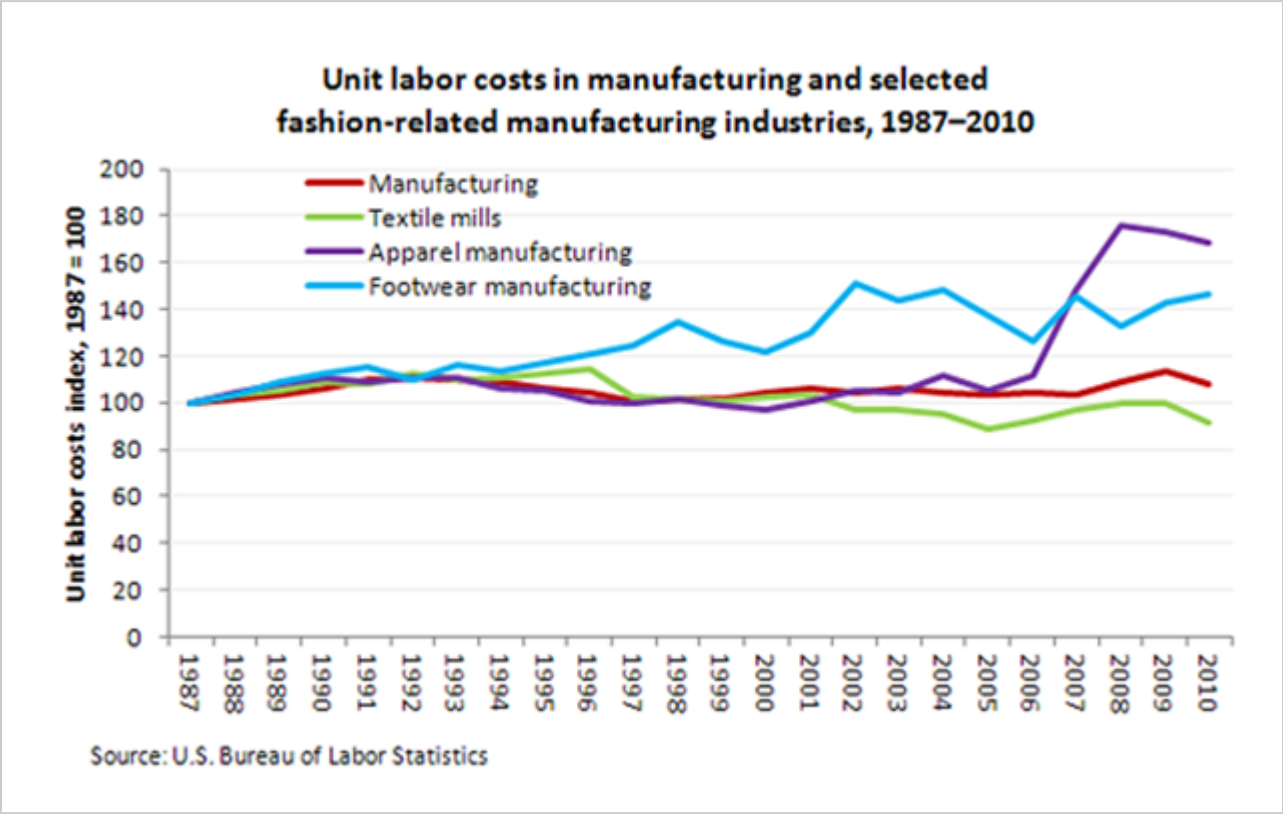
Productivity - Hours

The number of hours that U.S. manufacturing employees worked remained fairly steady from 1987 to 2000 and then declined by about one-third between 2000 and 2010. Hours worked in U.S. textile, apparel, and footwear manufacturing declined nearly continuously and much more sharply than overall manufacturing hours during the 1987–2010 period.



Productivity - Unit Labor Costs

Unit labor costs describe the relationship between compensation and labor productivity. Increases in hourly compensation increase unit labor costs; increases in labor productivity lower unit labor costs. Unit labor costs in U.S. manufacturing have held fairly steady since the late 1980s, meaning that manufacturers generally have been able to offset increases in compensation costs with improved efficiency. Unit labor costs for U.S. textile manufacturers also have held fairly steady since the late 1980s, but unit labor costs in U.S. apparel and footwear manufacturing were substantially higher in 2010 than in 1987.

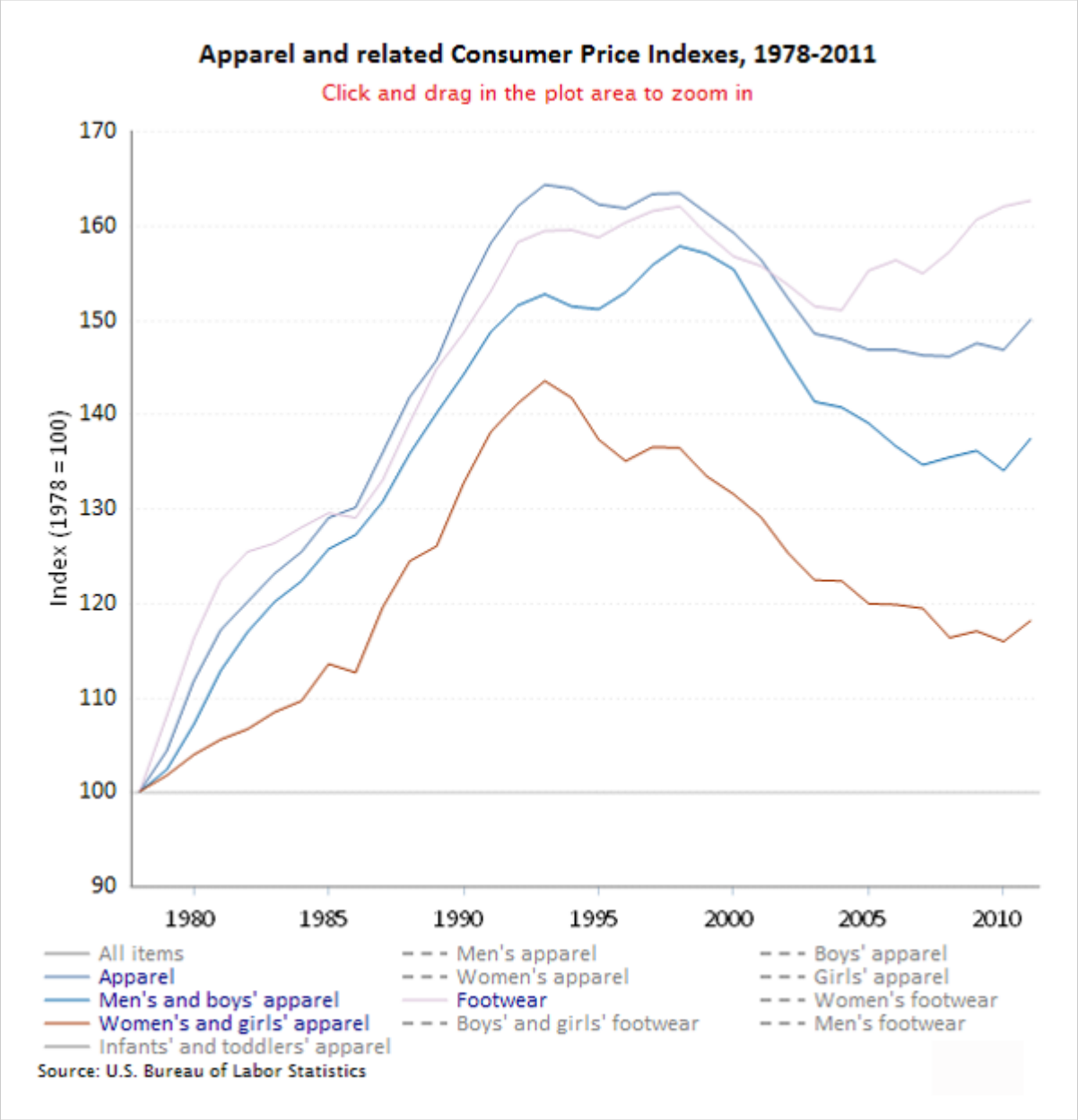


Consumer Prices in the Apparel Industry

The Consumer Price Index for all items has risen at a much steeper rate than the indexes for apparel and shoes since 1978. Prices for apparel rose 62 percent from 1978 to 1998, declined somewhat through 2005, and have been fairly steady in recent years. Prices for footwear followed a similar pattern as apparel from 1978 to 2004, and footwear prices have increased somewhat more rapidly since 2004.

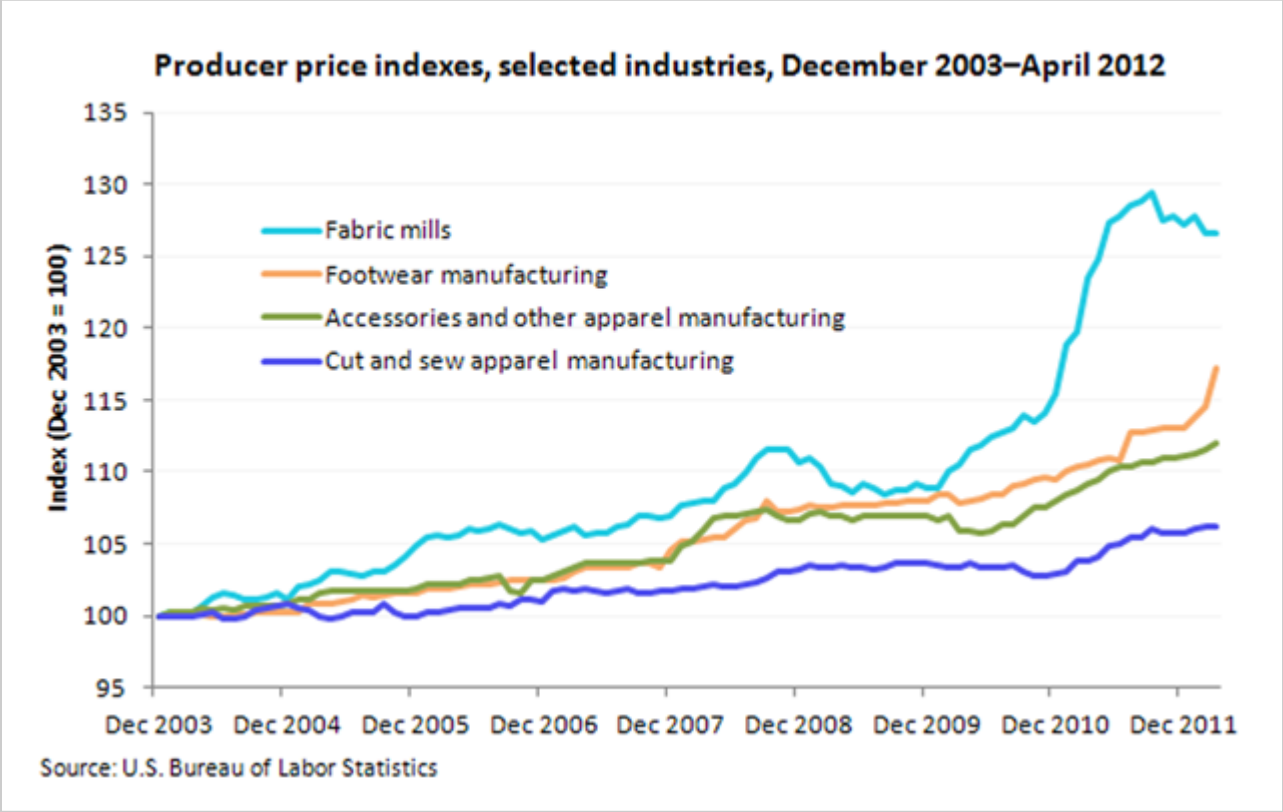
Consumer prices for men's and boys' apparel rose at somewhat faster rate than prices for women's and girls' apparel from 1978 to 1998. Prices for both categories declined somewhat through 2007 before leveling off in recent years. Prices for men's and women's footwear followed similar patterns as prices for apparel.

Consumer prices for infants' and toddlers' apparel rose about 69 percent from 1978 to 2000 and have generally declined since then.


Apparel and related Consumer Price Indexes, 1978-2011
Click and drag in the plot area to zoom in
Index (1978 = 100)
170
160
150
140
130
120
110
100
90
1980
1985
1990
1995
2000
2005
2010
All items
Apparel
Men's and boys' apparel
Women's and girls' apparel
Infants' and toddlers' apparel
Men's apparel
Women's apparel
Footwear
Boys' and girls' footwear
Boys' apparel
Girls' apparel
Women's footwear
Men's footwear
Source: U.S. Bureau of Labor Statistics

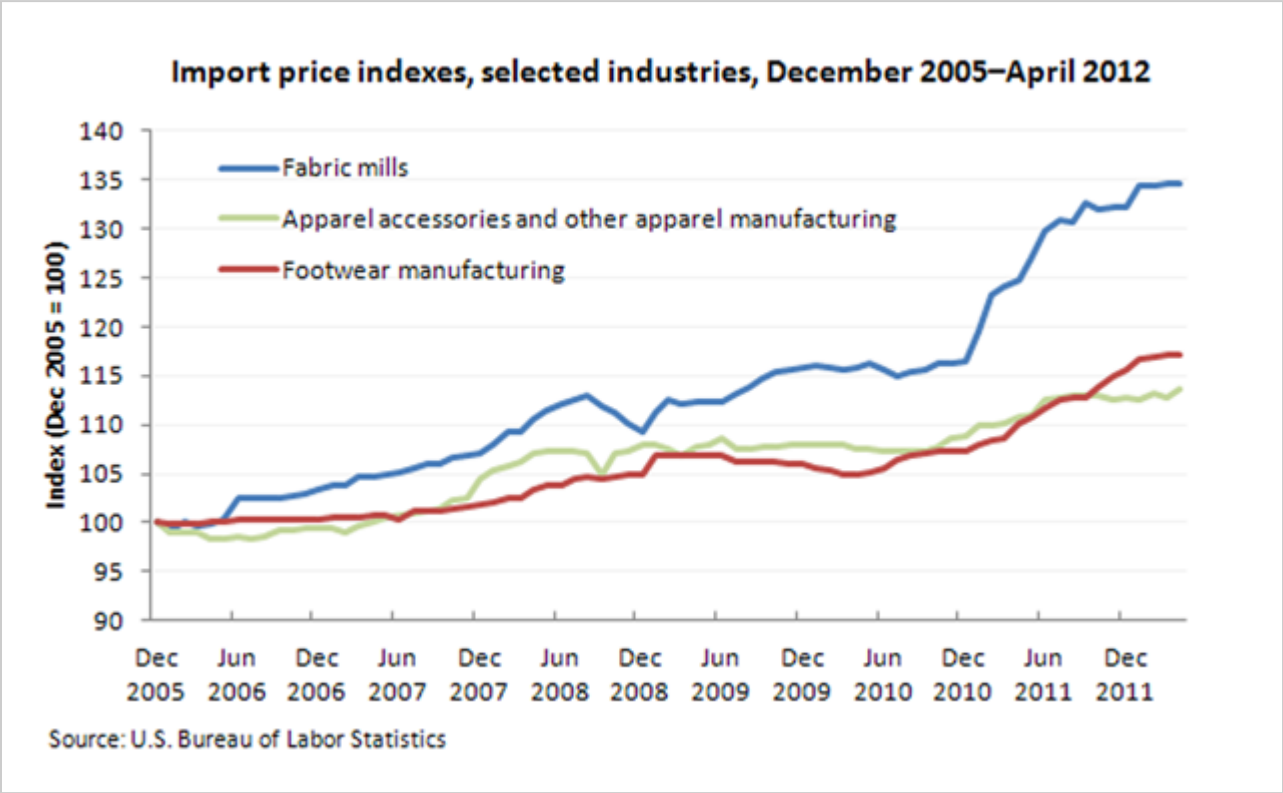
Producer Prices in Apparel-related Industries

When shopping for clothing, shoes, and accessories in retail stores or over the Internet, a consumer's first thought about price is most likely not about the price exchange that occurs before the item is available at the retail level, although that transaction heavily influences the price the consumer sees. While producer prices for selected fashion-related industries have trended higher since December 2003, the Producer Price Index (PPI) for fabric mills, a major component in textile-related production, increased significantly from October 2010 until September 2011. In comparison, producer price increases for other industries such as footwear manufacturing and for accessories and other apparel were more muted until December 2011, when their rates of increase started to accelerate.



Import Prices in Apparel-related Industries

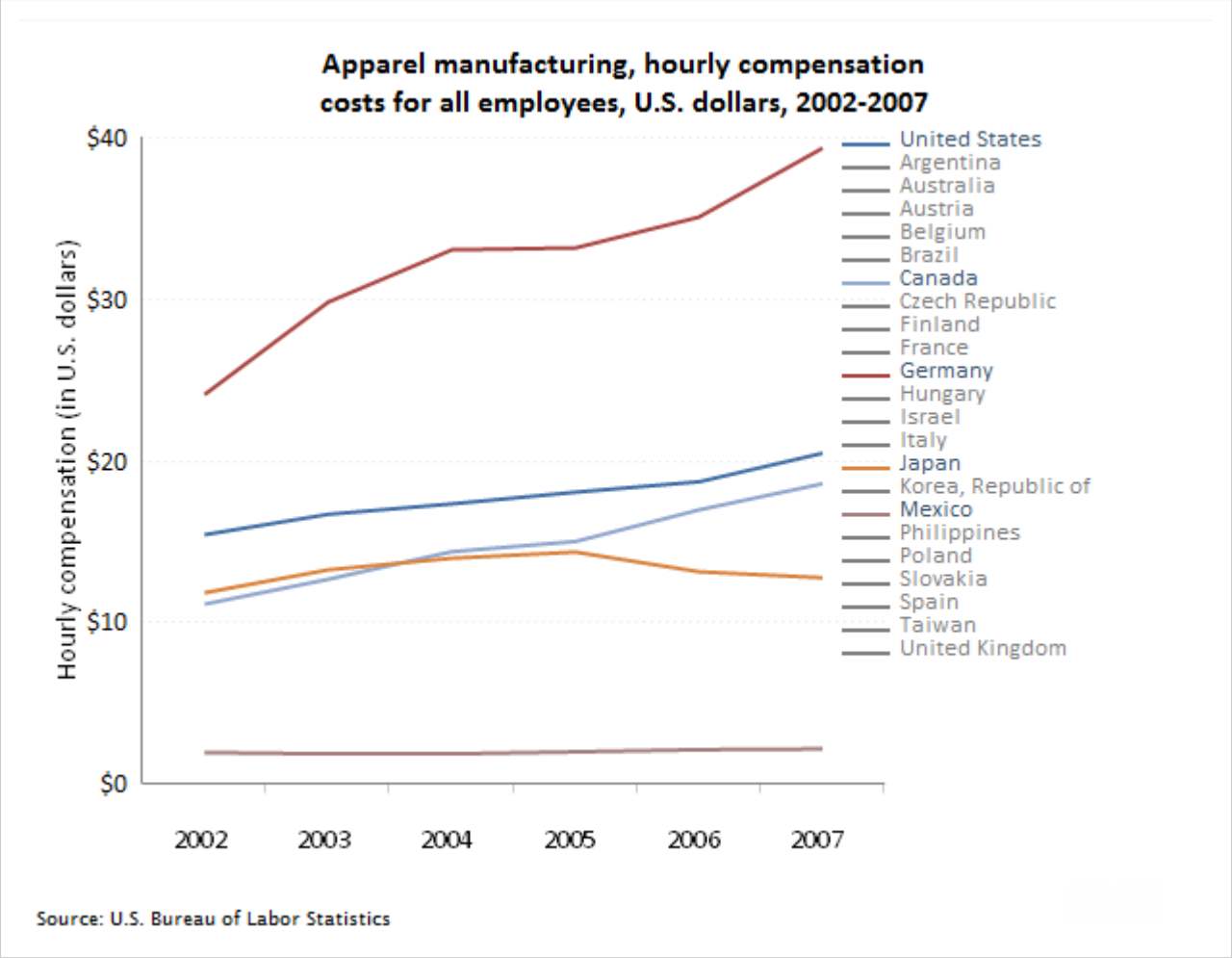
Have you ever wondered about the journey your clothes, shoes, and accessories traveled before these items found a home in your closet? Chances are your wardrobe includes many import components from across the globe. From December 2010 to February 2011, import prices for fabric mill products increased sharply and have continued to increase. Import prices for apparel accessories and other apparel manufacturing were higher than footwear manufacturing from September 2007 until October 2011, when footwear prices overtook apparel accessories and other apparel and have remained steady.



Compensation for U.S. and Foreign Apparel Manufacturers

In 2007, among those countries studied by the Bureau of Labor Statistics, Germany had the highest hourly compensation costs within the apparel manufacturing industry. The Philippines, with compensation costs at 88 cents per hour, had the lowest among those countries studied.

From 2006 to 2007, with the exception of Taiwan and Japan, hourly compensation costs increased in all countries studied—including the United States. From 2002 to 2007, Argentina and Australia experienced the largest increase in hourly compensation costs—increasing 154 percent. Over that period, Japan experienced the smallest increase in hourly compensation costs—from $11.77 per hour to $12.70 per hour, or 8 percent. Compensation costs for the United States increased from $15.37 per hour to $20.42 per hour, or 33 percent.



More BLS Data

Industries at a Glance data:

Apparel manufacturing | Clothing and clothing accessories stores | Leather and allied product manufacturing | Textile mills

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Note: Data in text, charts, and tables are the latest available at the time of publication. Internet links may lead to more recent data.

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