

NEWS RELEASE



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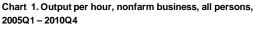
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PRODUCTIVITY AND COSTS

Fourth Quarter and Annual Averages 2010, Preliminary

Nonfarm business sector labor productivity increased at a 2.6 percent annual rate during the fourth quarter of 2010, the U.S. Bureau of Labor Statistics reported today. This gain in productivity reflects increases of 4.5 percent in output and 1.8 percent in hours worked. (All quarterly percent changes in this release are seasonally adjusted annual rates.) Productivity increased 1.7 percent over the last four quarters (chart 1, table A). Annual average productivity increased 3.6 percent from 2009 to 2010 (table C). Quarterly measures provide information on business cycles whereas annual measures are compared to long-term trends.

Labor productivity is calculated by dividing an index of real output by an index of the combined hours worked of all persons, including employees, proprietors, and unpaid family workers.



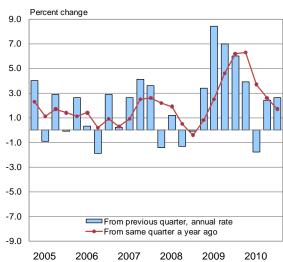
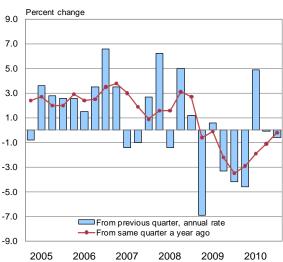


Chart 2. Unit labor costs, nonfarm business, all persons, 2005Q1 – 2010Q4



Unit labor costs in nonfarm businesses declined 0.6 percent in the fourth quarter of 2010, as the increase in productivity (2.6 percent) outpaced the increase in hourly compensation (1.9 percent). BLS defines unit labor costs as the ratio of hourly compensation to labor productivity; increases in hourly compensation tend to increase unit labor costs and increases in output per hour tend to reduce them. Over the last four quarters, unit labor costs declined 0.2 percent, as hourly compensation and productivity increased 1.5 percent and 1.7 percent, respectively (chart 2, table A). Annual average unit labor costs fell 1.5 percent from 2009 to 2010 (table C).

Data in this release do not reflect the annual benchmark revision of the BLS Current Employment Statistics program data to be released February 4, 2011. This benchmark will be incorporated in our next release on March 3, 2011.

Manufacturing sector productivity grew 5.8 percent in the fourth quarter of 2010, as output rose 3.7 percent and hours worked declined 2.0 percent. From the fourth quarter of 2009 to the fourth quarter of 2010, manufacturing productivity increased 3.6 percent as output increased 6.4 percent and hours rose 2.7 percent (table A). **Unit labor costs in manufacturing** fell 2.9 percent in the fourth quarter of 2010 and decreased 3.0 percent from the same quarter a year ago (table A). Annual average productivity grew 6.0 percent from 2009 to 2010.

The data sources and methods used in the preparation of the manufacturing output series differ from those used in preparing the business and nonfarm business output series, and these measures are not directly comparable. See Technical Notes for further information on data sources (page 4).

Table C presents **Annual Averages** for the most recent five years. The **nonfarm business sector** experienced productivity growth of 3.6 percent from 2009 to 2010 and 3.5 percent from 2008 to 2009. However, the 2010 increase in output per hour was due to a 3.7 percent increase in output as hours edged up 0.1 percent, whereas the 2009 productivity gain resulted when output fell 3.8 percent and hours fell 7.0 percent. In both years, strong productivity growth in nonfarm business was accompanied by declines in unit labor costs. By contrast the previous three years (2006-2008) were marked by modest productivity gains and increases in unit labor costs of more than two percent.

In the **manufacturing sector**, productivity grew 6.0 percent in 2010, the largest annual increase in output per hour since 2003, when output per hour increased 6.3 percent. The 2010 productivity gain reflected a 6.6 percent increase in output combined with a 0.6 percent increase in hours. Productivity grew 8.2 percent in durable goods manufacturing and 3.5 percent in nondurable goods industries (tables 4 and 5). Unit labor costs in the manufacturing sector fell 4.5 percent—the largest decline in annual manufacturing unit labor costs since the series began in 1988.

Revised measures

Revised and previous measures for the third quarter of 2010 are found in tables B and D and cover the following major sectors: nonfarm business, business, manufacturing and nonfinancial corporations.

In the **third quarter of 2010**, productivity growth was revised up to 2.4 percent in the nonfarm business sector and 1.4 percent in the manufacturing sector, when compared to the estimate published on December 1 (table B). In both sectors, output was revised up while hours were unrevised. Unit labor costs for the nonfarm business sector declined 0.1 percent in the third quarter, as previously reported. The increase in manufacturing unit labor costs was revised down to 0.1 percent from 1.0 percent. In the nonfinancial corporate sector productivity was revised down due to a downward revision in output; hours were revised down slightly (table D).

Nonfinancial corporate sector data have been historically revised to incorporate the December 22, 2010 release by the Bureau of Economic Analysis of revised data on gross product in billions of chained (2005) dollars.

Quarterly and annual data for all sectors from 2008 to 2010 appear in tables 1-6 and revised historical annual data for the nonfinancial corporate sector in appendix table 1. Full historical measures can be found on the productivity and costs home page http://www.bls.gov/lpc/#data.

The revised Productivity and Costs press release for fourth-quarter 2010 is scheduled to be released on Thursday, March 3, 2011 at 8:30 a.m. (EST).

Table A. Preliminago (Y to Y)	nary fourth-quart	er 2010 me	easures: per	cent chan	ge from pre	evious quarter	, annual ra	ate (Q to Q)	and from sar	ne quarter	a year
,		Non	farm					Durab	ole	Nondi	urable
Sector			ness	Bu	siness	Manufa	acturing		facturing		facturing
		Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y
Productivity		2.6	1.7	2.4	1.7	5.8	3.6	6.0	5.0	5.8	2.5
Output		4.5	3.7	4.3	3.7	3.7	6.4	4.1	8.8	3.2	3.8
Hours		1.8	2.0	1.8	2.0	-2.0	2.7	-1.7	3.6	-2.4	1.2
Hourly compensa	ition	1.9	1.5	1.8	1.5	2.8	0.5	2.9	0.9	2.5	-0.4
Real hourly comp	ensation	-0.6	0.3	-0.8	0.3	0.2	-0.7	0.3	-0.3	-0.1	-1.6
Unit labor costs		-0.6	-0.2	-0.6	-0.2	-2.9	-3.0	-2.9	-3.9	-3.1	-2.9
Table B. Revised	d and previous m	easures, tl	nird quarter	2010							
		Non	farm					Durab	ole	Nond	urable
Sector		Busi	ness	Bu	siness	Manufa	cturing	Manu	facturing	Manu	facturing
		Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous
				Percen	t change, a	nnual rate					
Productivity		2.4	2.3	2.6	2.5	1.4	0.6	0.1	-0.5	4.2	3.2
Output		3.8	3.7	3.8	3.7	5.0	4.2	6.7	6.0	3.1	2.2
Hours		1.4	1.4	1.1	1.2	3.6	3.6	6.6	6.5	-1.0	-0.9
Hourly compensa	ition	2.3	2.2	2.6	2.5	1.5	1.6	0.7	0.8	2.2	2.4
Real hourly comp	ensation	8.0	0.8	1.1	1.0	0.0	0.1	-0.8	-0.7	0.7	0.9
Unit labor costs		-0.1	-0.1	-0.1	0.0	0.1	1.0	0.6	1.3	-1.9	-0.7
Table C. Annual	average changes	s in produc	tivity and re	elated mea	sures, 200	6-2010					
Sector			N	onfarm Bus	iness				Manufacturin	g	
		2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
Duo di cationito		0.0	4.0	1.0	2.5	2.0		4.0	0.0	2.0	0.0
Productivity Output		0.9 3.1	1.6 2.1	1.0 -1.1	3.5 -3.8	3.6 3.7	0.8 1.5	4.2 2.4	-0.3 -4.4	2.0 -10.8	6.0 6.6
Hours		2.2	0.5	-1.1 -2.1	-3.6 -7.0	0.1	0.8	-1.7	-4.4 -4.0	-10.6 -12.6	0.6
Hourly compensa	tion	3.8	4.0	3.3	1.9	2.0	2.0	3.3	4.0	5.2	1.2
Real hourly comp		0.5	1.1	-0.5	2.2	0.3	-1.2	0.4	0.1	5.6	-0.5
Unit labor costs	onsation	2.8	2.4	2.2	-1.6	-1.5	1.2	-0.9	4.3	3.1	-4.5
	ancial corporatio	ns: revised									
	-		•	Hourl	у	Real hourly		Init labor			cit price
	Productivity	Outpu	t Hours	comp	ensation	compensatio	n c	osts	Unit profits	deflat	or
				Percen	t change, a	nnual rate					
Revised	-3.5	-1.4	2.2	2.3		0.8		6.0	1.6	4.7	,
Previous	-2.4	-0.2	2.3	2.2		0.7		4.7	8.8	4.6	

TECHNICAL NOTES

Labor Hours: Hours data for the labor productivity and cost measures include hours for all persons working in the sector—wage and salary workers, the self-employed and unpaid family workers. The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on the number of jobs held by wage and salary workers in nonfarm establishments. The CES also provides average weekly paid hours of production and nonsupervisory workers in these establishments. Weekly paid hours are adjusted to hours at work using data from the National Compensation Survey (NCS). The BLS Hours at Work survey, conducted for this purpose, was used for earlier years. The Office of Productivity and Technology estimates average weekly hours at work for nonproduction and supervisory workers using information from the Current Population Survey (CPS), the CES, and the NCS.

Data from the CPS are used for farm labor, nonfarm proprietors, and nonfarm unpaid family workers. Estimates of labor input for government enterprises are derived from the CPS, the CES, and the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis (BEA) of the Department of Commerce.

The CES measures jobs, counting a person who is employed by two or more establishments at each place of employment. In contrast, the CPS features measures of employment that count each person only once and classify each person according to his or her primary job; hours worked at all jobs by that person accrue to his or her primary job. However, the CPS also collects more detailed information on employment and hours worked at primary jobs and all other jobs, separately. The BLS productivity measures use the more detailed information on employment and hours to assign all hours worked to the correct industrial sector and avoid duplicating hours data from the CES.

Output: Business sector output is a chain-type, current-weighted index constructed after excluding from gross domestic product (GDP) the following outputs: general government, nonprofit institutions, and private households (including owner-occupied housing). Corresponding exclusions also are made in labor inputs. Business output accounted for about 75 percent of the value of GDP in 2009. Nonfarm business, which excludes farming, accounted for about 74 percent of GDP in 2009.

Annual indexes for manufacturing and its durable and nondurable goods components are constructed by deflating current-dollar industry value of production data from the U.S. Bureau of the Census with deflators from the BLS. These deflators are based on data from the BLS producer price program and other sources. The industry shipments are aggregated using annual weights, and intrasector transactions are removed. Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System, adjusted to be consistent with annual indexes of manufacturing sector output prepared by BLS. Durables include the following 3-digit NAICS industries: wood product manufacturing; nonmetallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; machinery manufacturing; computer and electronic product manufacturing; electrical equipment and appliance manufacturing; transportation equipment manufacturing; furniture and related product manufacturing; and miscellaneous manufacturing. Nondurables include: food manufacturing; beverage and tobacco product manufacturing; textile mills; textile product mills; apparel manufacturing; leather and allied product manufacturing; chemical manufacturing; and plastics and rubber products manufacturing.

Nonfinancial corporate output is a chain-type, current-weighted index calculated on the basis of the costs incurred and the incomes earned from production. The output measure excludes the following outputs from GDP: general government; nonprofit institutions; private households; unincorporated business; and those corporations classified as offices of bank holding companies, offices of other holding companies, or offices in the finance and insurance sector. Nonfinancial corporations accounted for about 47 percent of the value of GDP in 2009.

Productivity: These productivity measures describe the relationship between real 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 these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or any other factor of production. Rather, they reflect the joint effects of many influences, including changes in technology;

capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skill; and the characteristics and effort of the work force.

Labor Compensation: The measure includes accrued wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Estimates of labor compensation by major sector, required for measures of hourly compensation and unit labor costs, are based primarily on employee compensation data from the NIPA, prepared by the BEA. The compensation of employees in general government, nonprofit institutions and private households are subtracted from compensation of domestic employees to derive employee compensation for the business sector. The labor compensation of proprietors cannot be explicitly identified and must be estimated. This is done by assuming that proprietors have the same hourly compensation as employees in the same sector. The quarterly labor productivity and cost measures do not contain estimates of compensation for unpaid family workers.

Unit Labor Costs: The measures of unit labor costs in this release describe the relationship between compensation per hour and productivity, or real output per hour, and can be used as an indicator of inflationary pressure on producers. Increases in hourly compensation increase unit labor costs; labor productivity increases offset compensation increases and lower unit labor costs.

Presentation of the data: The quarterly data in this release are presented in three ways: as percent changes from the previous quarter presented at a compound annual rate, as percent changes from the corresponding quarter of the previous year, and as index number series where 2005=100. Annual data are presented both as index number series and percent changes from the previous year.

The index numbers and rates of change reported in the productivity and costs news release are rounded to one decimal place. All percent changes in this release and on the BLS web site are calculated using index numbers to three decimal places. These index numbers are available at the BLS web site, www.bls.gov/data/home.htm, or by contacting the BLS Division of Major Sector Productivity. (Telephone 202-691-5606 or email DPRWEB@BLS.GOV)

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-691-5606; Federal Relay Service number: 1-800-877-8339.

Table 1. Business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quar		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compen- sation per hour (2)	Unit labor costs	Unit nonlabor payments (3)	Implicit price deflator (4)
			Percent char	ge from pre	evious quart	er at annua	 l rate(5)		
2010	ANNUAL	3.6	3.7	0.1	2.0	0.3	-1.5	4.7	1.0
2010	IV	2.4	4.3	1.8	1.8	-0.8	-0.6	0.1	-0.3
	III	2.6 r	3.8 r	1.1 r	2.6 r	1.1 r	-0.1 r	5.6 r	2.3 r
	II	-1.8	1.8	3.7	2.7	3.5	4.6	-0.4	2.5
	I	3.5	5.0	1.4	-1.1	-2.6	-4.5	9.6	1.2
2009	ANNUAL	3.5	-3.7	-6.9	1.8	2.2	-1.6	3.8	0.5
2009	IV	6.1	6.5	0.3	1.5	-1.2	-4.4	5.2	-0.5
	III	7.2	1.6	-5.3	3.8	0.0	-3.2	7.4	0.9
	II	8.3	-0.3	-7.9	9.0	7.1	0.6	-2.9	-0.8
	I	3.5	-6.2	-9.4	-3.6	-1.5	-6.9	13.6	0.8
2008	ANNUAL	1.1	-0.9	-2.0	3.2	-0.6	2.1	1.4	1.8
2008	IV	-0.3	-9.3	-9.0	0.8	11.0	1.1	-7.9	-2.6
	III	-1.1	-6.1	-5.0	3.6	-2.6	4.8	5.7	5.1
	II	1.2	-0.6	-1.8	0.1	-4.8	-1.1	12.3	4.0
	I 	-0.9	-2.0	-1.1	4.5	-0.3	5.4	-5.7	0.9
		Pe:	rcent change	e from corre	esponding qu	arter of pr	evious year	:	
2010	ANNUAL	3.6	3.7	0.1	2.0	0.3	-1.5	4.7	1.0
2010	IV	1.7	3.7	2.0	1.5	0.3	-0.2	3.6	1.4
2010	III	2.6	4.3 r	1.6	1.4	0.2	-1.1	4.9 r	1.3 r
	II	3.7	3.7	0.0	1.7	-0.1	-1.9	5.4	1.0
	I	6.3	3.2	-2.9	3.2	0.8	-2.9	4.7	0.2
2009	ANNUAL	3.5	-3.7	-6.9	1.8	2.2	-1.6	3.8	0.5
2009	IV	6.3	0.3	-5.6	2.5	1.0	-3.5	5.6	0.1
	III	4.6	-3.7	-7.9	2.4	4.0	-2.2	2.2	-0.4
	II	2.5	-5.5	-7.8	2.3	3.3	-0.2	1.8	0.6
	I	0.8	-5.6	-6.3	0.2	0.3	-0.6	5.6	1.8
2008	ANNUAL	1.1	-0.9	-2.0	3.2	-0.6	2.1	1.4	1.8
2008	IV	-0.3	-4.5	-4.3	2.2	0.6	2.5	0.8	1.8
	III	0.5	-1.5	-2.0	3.4	-1.8	2.8	1.9	2.5
	II	1.9	0.6		3.3			1.8	1.6
	I	2.4	1.7		3.9	-0.3	1.5	1.3	1.4
					exes 2005=10	0			
2010	ANNUAL	111.1	104.1	93.7	115.8	103.7	104.2	116.8	109.2
2010	IV	111.8	105.5	94.3	116.8	103.9	104.4	117.5	109.6
	III	111.2 r	105.5 104.4 r	93.9 r	116.2 r	104.1 r	104.6 r		109.7 r
	II	110.4	103.4	93.7	115.5	103.8	104.6	115.9	109.1
	I	111.0	103.4	92.8	114.7	102.9	103.4	116.0	108.4
2009	ANNUAL	107.3	100.4	93.6	113.6	103.4	105.9	111.6	108.1
2009	IV	110.0	101.7	92.5	115.1	103.6	104.6	113.4	108.1
_ 5 5 5		108.4	100.1	92.4	114.6	103.0	105.8	112.0	108.2
	II	106.5	99.8	93.7	113.6	103.9	106.6	110.0	108.0
	I	104.4	99.8	95.6	111.2	102.1	106.5	110.8	108.2
2008	ANNUAL	103.6	104.2	100.5	111.5	101.1	107.6	107.5	107.6
2008	IV	103.5	101.4	98.0	112.2	102.5	108.4	107.3	108.0
	III	103.6	101.4 103.9	100.3	112.0	99.9	108.1	109.6	108.7
	II	103.9	105.6	101.6	111.0	100.6	106.8		107.3

February 3, 2011 Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

seasonal	ly adjusted				Real			
Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	compen- sation		Unit nonlabor payments (3)	price
		Percent char	 nge from pre					
2010 ANN	UAL 3.6	3.7	0.1	2.0	0.3	-1.5	4.2	0.8
2010 IV III	2.6 2.4 r	4.5 3.8 r	1.8 1.4	1.9 2.3 r	-0.6 0.8	-0.6 -0.1	-1.3 4.6 r	-0.9 1.9 r
II	-1.8	1.6	3.5	2.9	3.7	4.9	-0.4	2.6
I	3.9	5.0	1.1	-0.9			9.8	1.2
2009 ANN	UAL 3.5	-3.8	-7.0	1.9	2.2	-1.6	4.6	0.8
2009 IV	6.0	6.7	0.7	1.5	-1.1	-4.2	3.5	-1.1
III		1.4	-5.2	3.4	-0.3	-3.3	8.1	1.1
II	8.4	-0.2	-7.9	9.1	7.2	0.6	-2.9	-0.8
I	3.4	-6.4	-9.5	-3.7	-1.6	-6.9	15.4	1.4
2008 ANN	UAL 1.0	-1.1	-2.1	3.3	-0.5	2.2	1.2	1.8
2008 IV	-0.1	-9.5	-9.5	1.1	11.3	1.2	-6.5	-1.9
III		-6.2	-4.9	3.7	-2.6	5.0	6.0	5.4
II	1.2	-0.3	-1.5	-0.2	-5.1	-1.4	13.6	4.2
I	-1.4	-2.5	-1.2	4.7	0.0	6.2	-7.0	0.8
		ercent change						
2010 ANN	UAL 3.6	3.7	0.1	2.0	0.3	-1.5	4.2	0.8
2010 IV	1.7	3.7	2.0	1.5	0.3	-0.2	3.1	1.2
III		4.3	1.7	1.4	0.2	-1.1	4.3 r	1.1 r
II	3.7	3.7	0.0	1.7	-0.1	-1.9	5.2	0.9
I	6.3	3.2	-2.9	3.2	0.8	-2.9	4.5	0.1
2009 ANN	UAL 3.5	-3.8	-7.0	1.9	2.2	-1.6	4.6	0.8
2009 IV	6.2	0.3	-5.6	2.5	1.0	-3.5	5.8	0.2
III	4.6	-3.8	-8.0	2.4	4.0	-2.2	3.2	0.0
II	2.5	-5.6	-8.0	2.4	3.4	-0.1	2.7	1.0
I	0.8	-5.7	-6.4	0.2	0.3	-0.6	6.8	2.2
2008 ANN	UAL 1.0	-1.1	-2.1	3.3	-0.5	2.2	1.2	1.8
2008 IV	-0.4	-4.7	-4.3	2.3	0.7	2.7	1.2	2.1
III		-1.7			-1.6	3.1	1.6	2.5
	1.9	0.5	-1.3	3.5	-0.8	1.6	1.4	1.5
I	2.2	1.6						
				exes 2005=10				
2010 ANN	UAL 111.0	104.0	93.7	115.8	103.7	104.3	116.7	109.2
2010 IV	111.8	105.4	94.3	116.8	103.9	104.5	117.0	109.4
III	111.0 r	104.3 r	93.9 r	116.2 r	104.0 r	104.6 r		
II	111.8 111.0 r 110.4	103.3	93.6	115.5	103.8	104.6 r 104.7	116.1	
I	110.9	102.9	92.8	114.7	102.9	103.4		
2009 ANN	UAL 107.2	100.3	93.5	113.5	103.3	105.9	111.9	108.3
2009 IV	109.9	101.7	92.5	115.0	103.5	104.7	113.5	108.2
III	109.9 108.3 106.5 104.3	100.0	92.4	114.5	103.8	104.7 105.8	112.6	108.5
II	106.5	99.7	93.6	113.6	103.9	106.7 106.5	110 /	100 0
I	104.3	99.7	95.6	111.1	102.1	106.5	111.2	108.4
2008 ANN	UAL 103.6	104.2	100.6	111.5	101.1	107.6	107.0	107.4
2008 IV	103.5	101.4	98.0	112.2	102.5	108.4	107.3	108.0
III	103.5 103.5 103.8	104.0	100.5	111.9	99.8	108.1		108.5
II	103.8	105.6	101.7	110.9	100.5	108.1 106.8	107.5	107.1
I	103.5	105.7	102.1	111.0	101.8	107.2		106.0
	notes followi							 rv 3 2011

February 3, 2011 Source: Bureau of Labor Statistics

Table 3. Manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter	Output per hour of all	Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
				at annual rate(5)	
2010 ANNUAL	6.0	6.6	0.6	1.2	-0.5	-4.5
2010 IV	5.8	3.7	-2.0	2.8	0.2	-2.9
III	1.4 r	5.0 r	3.6	1.5 r	0.0 r	0.1 r
II	5.7 r	9.9 r	4.0	4.8	5.5	-0.8 r
I	1.7	7.1	5.3	-6.5	-7.9	-8.1
2009 ANNUAL	2.0	-10.8	-12.6	5.2	5.6	3.1
2009 IV	8.1	7.2	-0.8	4.4	1.6	-3.5
		10.9 -8.5	-5.1 -13.8	3.3 6.5	-0.4 4.6	-11.6 0.3
I	-1.8	-20.9	-19.4	4.0	6.3	5.9
2008 ANNUAL	-0.3	-4.4	-4.0	4.0	0.1	4.3
Year and of all quarter persons Percent 2010 ANNUAL 6.0 2010 IV 5.8	-18.3	-16.1	7.0	17.9	9.8	
III	-1.4	-10.3	-9.0	6.3	-0.1	7.8
		-7.7	-1.4	3.4	-1.7	10.5
I 	-0.7	-2.6	-2.0 	2.2	-2.4 	2.9
	Percent	change from co	rresponding quar	ter of previous	year	
2010 ANNUAL	6.0	6.6	0.6	1.2	-0.5	-4.5
2010 IV	3.6	6.4	2.7	0.5	-0.7	-3.0
		7.3 r	3.0	0.9 r	-0.3	-3.1 r
		8.8 r	0.8	1.4	-0.4	-6.1
1	8.1	3.9	-3.9	1.8	-0.6	-5.8
2009 ANNUAL	2.0	-10.8	-12.6	5.2	5.6	3.1
2009 IV	7.1	-3.7	-10.1	4.5	3.0	-2.4
		-10.0	-13.8	5.2	6.9	0.8
		-14.6	-14.7	5.9	7.0	5.9
T	-3.1	-14.5	-11.8	5.2	5.3	8.5
2008 ANNUAL	-0.3	-4.4	-4.0	4.0	0.1	4.3
2008 IV	-2.8	-9.9	-7.3	4.7	3.1	7.7
		-5.4	-4.3	5.1	-0.2	6.4
				3.8		
T		0.6	-2.0 	2.5 	-1.7 	-0.2
		I	ndexes 2005=100			
2010 ANNUAL	113.1	94.5	83.5	116.6	104.4	103.0
2010 IV	114.9	96.3	83.8	117.7	104.7	102.4
	113.3 r	95.4 r	84.2	116.9 r		
	112.9 r	94.3 r 92.1	83.5 82.7	116.5	104.7	103.2 r
I	111.4	92.1	82.7	115.2	103.3	103.4
2009 ANNUAL	106.8	88.7	83.0	115.2	104.9	107.9
2009 IV	110.9	90.5	81.6	117.1	105.4	105.6
	108.8	88.9	81.8	115.9	105.0	106.5
		86.7	82.8	114.9	105.1	109.9
		88.6	86.0	113.1	103.9	109.8
2008 ANNUAL	104.7				99.3	104.6
	103.5	93.9	90.7 94.8	112.0	102.4	108.2
	104.2	98.8	94.8	110.1	98.2	105.7
	104.6 106.2	101.5 103.6	97.1 97.4	108.5 107.6	98.3 98.7	103.8 101.2
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See footnotes following Table 6.

r=revised

February 3, 2011 Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quar	rter		Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
		Percen			at annual rate(
2010	ANNUAL	8.2	8.8	0.6	1.8	0.2	-5.8
2010	IV	6.0	4.1	-1.7	2.9	0.3	-2.9
2010	III	0.1 r	6.7 r	6.6 r	0.7 r	-0.8 r	0.6 r
	II	11.9	15.4	3.1	8.6	9.4	-2.9
	I	2.4	9.3	6.8	-7.8	-9.2	-10.0
2009	ANNUAL	-0.2	-15.3	-15.1	5.8	6.2	6.0
2009		8.7	8.0	-0.7	5.3	2.5	-3.1
	III	25.8	17.2	-6.8	2.9	-0.8	-18.2
	II	5.3	-14.3	-18.6	11.6	9.6	6.0
	I	-7.5	-28.8	-23.0	2.1	4.4	10.4
2008	ANNUAL	-1.6	-5.7	-4.2	3.5	-0.3	5.2
2008	IV	-10.5	-24.7	-15.9	6.6	17.4	19.1
	III	1.3	-11.5	-12.7	7.3	0.9	5.9
	II	-10.1	-10.8	-0.8	3.8	-1.2	15.5
	I 	-3.6 	-3.5 	0.1	-0.3	-4.8 	3.4
		Percent	change from com	rresponding quar	ter of previous	year	
2010	ANNUAL	8.2	8.8	0.6	1.8	0.2	-5.8
2010	IV	5.0	8.8	3.6	0.9	-0.3	-3.9
	III	5.7 r	9.8 r	3.9	1.5	0.3	-3.9 r
	II	11.9	12.4	0.5	2.1	0.3	-8.8
	I	10.2	4.3	-5.3	2.7	0.3	-6.7
2009	ANNUAL	-0.2	-15.3	-15.1	5.8	6.2	6.0
2009	IV	7.4	-6.3	-12.7	5.4	3.9	-1.9
	III	2.3	-14.3	-16.3	5.7	7.5	3.3
	II	-3.1	-20.2	-17.6	6.8	7.9	10.2
	I	-6.8	-19.4	-13.5	4.9	5.1	12.6
2008	ANNUAL	-1.6	-5.7	-4.2	3.5	-0.3	5.2
2008	IV	-5.9	-13.0	-7.6	4.3	2.7	10.8
	III		-6.8	-5.1	4.9	-0.4	6.8
	II	-1.4	-3.9	-2.5		-0.7	5.0
	I 	2.9		-1.9 	1.6	-2.5	
			Ir	ndexes 2005=100			
2010	ANNUAL	114.5	92.7	81.0	118.3	105.9	103.3
2010	IV	116.6	95.0	81.5	119.7	106.5	102.7
	III	114.9 r	94.1 r 92.6 r	81.9 r 80.6	118.8 r	106.4 r	103.4 r
	II	114.9 r	92.6 r	80.6	118.8 r 118.6	106.6	103.3 r
	I	111.7	89.3	80.0	116.2	104.2	104.0
2009	ANNUAL	105.9	85.3	80.5	116.2	105.8	109.7
2009	IV	111.1	87.4	78.7	118.6	106.8	106.8
	III	108.8	85.7	78.8	117.1	106.1	107.6
	II	102.7	82.4 85.6	80.2 84.4	116.2	106.3 103.9	113.2
	I	101.4			113.1		111.5
2008	ANNUAL	106.1	100.6	94.8	109.9	99.6	103.5
2008	IV	103.4		90.2	112.5		108.8
	III	106.3 105.9	100.0 103.2	94.1	110.7	98.7 98.5	104.2
	II			94.1 97.4	100.7		102.7
	I		106.2	97.6 	107.8	98.8	99.0

February 3, 2011 Source: Bureau of Labor Statistics

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Yea: and gua:		Output per hour of all persons	Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
					at annual rate(
2010	ANNUAL	3.5	4.1	0.6	0.0	-1.7	-3.4
2010	IV III	5.8 4.2 r	3.2 3.1 r	-2.4 -1.0 r	2.5 2.2 r	-0.1 0.7 r	-3.1 -1.9 r
	II	-1.3 r	4.0 r	5.3	-1.7	-1.0	-1.9 r
	I	1.6	4.8	3.1	-4.4	-5.8	-5.9
2009	ANNUAL	3.0	-5.5	-8.3	4.8	5.2	1.7
2009	IV	7.5	6.3	-1.2	2.7	0.0	-4.5
	III	6.7	4.3	-2.2	4.5	0.8	-2.0
	II	4.1	-1.5	-5.4	-1.1	-2.8	-5.0
	I	2.5	-10.7	-12.9	8.4	10.8	5.7
2008	ANNUAL	0.4	-3.3	-3.7	4.9	1.0	4.4
2008		7.8	-10.0	-16.6	7.8	18.7	0.0
	III II	-7.1 -2.4	-9.2 -4.6	-2.3 -2.3	5.2 2.3	-1.1 -2.7	13.2 4.8
	I	3.0	-4.6 -2.7	-2.3 -5.5	6.9	2.1	3.8
					ter of previous		
0010			3		-	•	2 4
2010	ANNUAL	3.5	4.1	0.6	0.0	-1.7	-3.4
2010		2.5	3.8	1.2	-0.4	-1.6	-2.9
	III	3.0 r	4.5 r	1.5	-0.3	-1.5	-3.2 r
	II I	3.6 r 5.0	4.8 3.4	1.2 -1.5	0.2 0.4	-1.5 -2.0	-3.2 -4.4
2009	ANNUAL	3.0	-5.5	-8.3	4.8	5.2	1.7
2009		5.2 5.3	-0.6 -4.7	-5.5 -9.4	3.6 4.8	2.0 6.5	-1.6
	III II	1.7	-4.7 -7.9	-9.4 -9.5	4.8 5.0	6.0	-0.4 3.2
	I	0.1	-8.7	-8.7	5.9	6.1	5.8
2008	ANNUAL	0.4	-3.3	-3.7	4.9	1.0	4.4
2008	IV	0.2	-6.7	-6.9	5.5	3.9	5.3
	III	-1.7	-4.4	-2.8	5.7	0.4	7.5
	II	1.2		-3.0		0.0	3.0
	I 	1.9 	-0.3 		4.1	-0.1	2.2
			Ir	ndexes 2005=100			
2010	ANNUAL	109.4	96.3	88.0	114.1		104.3
2010	IV	111.1 109.5 r	97.4	87.7 88.3 r	114.8 114.1 r	102.2 102.2 r	103.4
	III	109.5 r	96.7 r	88.3 r	114.1 r	102.2 r	104.2 r
	II	108.4 r	95.9 r	88.5	113.5	102.0	
	I	108.7	95.0	87.4	114.0	102.2	104.8
2009	ANNUAL	105.7	92.4	87.4	114.1	103.9	108.0
2009	IV	108.3	93.9	86.7	115.3	103.8	106.4
	III	106.3 104.6	92.5	86.9	114.5	103.8	107.7
	II I		91.5 91.8	87.4 88.7	113.3 113.6	103.6 104.3	108.2 109.6
2008			97.8		108.9		
2008	IV	102.9 101.0	94.5	91.8	111.3 109.2	101.7	108.1
	III II	101.0	97.0 99.4	96.0 96.6	109.2	97.4 97.7	108.1 104.8
	I		100.5	97.1	107.2	98.4	103.6

See footnotes following Table 6.

r=revised

February 3, 2011 Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporate sector: Productivity, hourly compensation, unit labor costs, unit profits, and prices, seasonally adjusted

Year and quarter	Output per all- employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compen- sation (2)	Unit labor costs	Unit non- labor costs (6)	Total unit cost (7)	Unit pro- fits (8)	Implicit price deflator (4)
		Percen	t change f	rom previo	us quarter	at annual	rate(5)			
2010 III II I	-3.5 r 0.1 8.7 r	-1.4 r 4.4 10.9 r	2.2 r 4.3 2.1	2.3 r 2.1 -0.9	0.8 r 2.8 -2.3	6.0 r 2.0 -8.8 r	3.1 r -3.4 -8.5 r	5.2 r 0.4 -8.7 r	1.6 r 19.6 64.4 r	4.7 r 2.6 -2.2 r
2009 ANNUAL	1.8 r	-5.8 r	-7.5	2.2	2.6	0.4 r	2.5 r	1.0 r	-2.7 r	0.6 r
2009 IV III II I	12.8 r 5.9 r 4.3 r -4.2 r	13.2 r 0.1 r -5.0 r -14.7 r	0.3 -5.4 -8.9 -11.0	1.4 4.2 6.9 -3.5	-1.3 0.5 5.1 -1.4	-10.2 r -1.5 r 2.5 r 0.7 r	-8.4 r -8.3 r -3.4 r 7.8 r	-9.6 r -3.6 r 0.7 r 2.8 r	37.8 r 20.5 r -22.0 r -5.2 r	
2008 ANNUAL	0.3 r	-1.4 r	-1.7	3.5	-0.3	3.2 r	6.3 r	4.1 r	-12.2 r	2.1 r
2008 IV III II I	1.0 r 4.3 r -1.6 r -3.1 r	-7.5 r -1.3 r -3.6 r -3.4 r		3.0 4.5 1.9 2.8	13.5 -1.8 -3.1 -1.8	2.0 r 0.2 r 3.5 r 6.1 r	10.4 r 3.9 r 8.5 r 6.4 r	1.3 r 4.9 r 6.2 r	-6.2 r -32.9 r	8.2 r 3.7 r 1.1 r
		Percent	change from	m correspo						
2010 III II I	4.3 r 6.8 r 7.9 r	6.6 r 7.1 r 4.5 r	2.2 0.3 -3.1	1.2 1.7 2.9	0.0 -0.1 0.4	-3.0 r -4.8 r -4.6 r	-7.2 r	-5.5 r	34.5 r	-1.7 r
2009 ANNUAL	1.8 r	-5.8 r	-7.5	2.2	2.6	0.4 r	2.5 r	1.0 r	-2.7 r	0.6 r
2009 IV III II I	4.5 r 1.7 r 1.3 r -0.2 r	-2.1 r -6.9 r -7.2 r -6.9 r	-6.3 -8.4 -8.4 -6.8	2.2 2.6 2.6 1.4	0.7 4.3 3.7 1.6	-2.2 r 0.9 r 1.3 r 1.6 r	-3.3 r 1.3 r 4.6 r 7.6 r	-2.5 r 1.0 r 2.3 r 3.3 r	5.3 r -13.4 r -3.0 r 1.6 r	-1.8 r -0.6 r 1.8 r 3.1 r
2008 ANNUAL	0.3 r	-1.4 r	-1.7	3.5	-0.3	3.2 r	6.3 r	4.1 r	-12.2 r	2.1 r
2008 IV III II I	0.1 r 1.8 r -0.5 r -0.2 r	-4.0 r -0.3 r -1.3 r -0.2 r	-4.1 -2.0 -0.8 0.0	3.0 4.0 3.5 3.5	1.5 -1.2 -0.7 -0.7	2.9 r 2.2 r 4.0 r 3.7 r	7.3 r 4.6 r 7.0 r 6.3 r			2.9 r 2.9 r 1.4 r 1.3 r
				Indexes	2005=100					
2010 III II I	108.7 r 109.7 r 109.7 r	102.8 r 103.2 r 102.0 r	94.6 r 94.0 93.1	114.9 r 114.2 113.7	102.9 r 102.7 102.0	105.7 r 104.1 r 103.6 r	111.8 r	106.3 r	108.0 r	106.5 r
2009 ANNUAL	104.0 r	97.4 r	93.7	112.5	102.4	108.2 r	118.7 r	111.1 r	85.3 r	107.9 r
2009 IV III II I	104.2 r 102.7 r	99.4 r 96.4 r 96.4 r 97.6 r	92.6 92.5 93.8 96.0	113.9 113.5 112.3 110.5	102.5 102.9 102.8 101.5	106.0 r 108.9 r 109.3 r 108.7 r	117.8 r 120.4 r	111.4 r 112.4 r	84.2 r 80.3 r	106.4 r 107.9 r 108.4 r 108.8 r
2008 ANNUAL	102.1 r	103.5 r	101.3	110.1	99.8	107.8 r	115.8 r	110.0 r	87.7 r	107.2 r
2008 IV III II I	102.5 r 101.4 r	103.9 r	101.0 102.4	110.6 109.4		108.5 r 108.0 r 107.9 r 107.0 r	116.2 r 115.1 r	110.3 r 109.9 r	97.2 r 82.8 r	108.3 r 108.6 r 106.5 r 105.5 r
See footnot	es followin	g Table 6							February	7 3. 2011

See footnotes following Table 6.

February 3, 2011 Source: Bureau of Labor Statistics

r=revised

SOURCES: Output data are from the Bureau of Economic Analysis and the Census Bureau of the U.S. Department of Commerce; the Bureau of Labor Statistics, U.S. Department of Labor; and the Federal Reserve Board. Compensation and hours data are from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

RELIABILITY: Productivity and cost measures are regularly revised as more complete information becomes available. The measures are first published within 40 days of the close of the reference period; revisions appear 30 days later, and second revisions after an additional 60 days. In the business sector, the third publication (second revision) of a quarterly index of output per hour of all persons has differed from the initial value by between -1.7 and +1.5 index points approximately 95 percent of the time. This interval is based on the performance of this measure between the fourth quarter of 1995 and the third quarter of 2010.

Footnotes, Tables 1-6

- (1) Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.
- (2) The change for recent quarters is based on the Consumer Price Index for all urban consumers (CPI-U). The trend from 1978-2009 is based on the Consumer Price Index research series (CPI-U-RS).
- (3) Unit nonlabor payments include profits, consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, business current transfer payments, rental income of persons, and the current surplus of government enterprises.
- (4) Current dollar output divided by the output index.
- (5) Quarterly changes: Percent change compounded at annual rate is calculated using index numbers to three decimal places. Indexes published in the news release are rounded to one decimal place for convenience. Annual changes: Percent change is calculated using annual average indexes to three decimal places.
- (6) Unit nonlabor costs include consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, and business current transfer payments.
- (7) Total unit costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits before tax with inventory valuation and capital consumption adjustments.

Appendix table 1.

Nonfinancial corporate sector: Productivity, hourly compensation, unit labor costs, unit profits, and prices

Year	Output per all- employee hour	Output	Employee hours	sation (1)	Real hourly compen- sation (2)	labor costs	Unit non- labor costs (6)	Total unit cost (7)	Unit pro- fits (8)	Implicit price deflator (4)
				Indexes	2005=100					
2009	104.0 r	97.4 r	93.7	112.5	102.4	108.2 r	118.7 r	111.1 r	85.3 r	107.9 r
2008	102.1 r	103.5 r	101.3	110.1	99.8	107.8 r	115.8 r	110.0 r		107.2 r
2007	101.8 r	105.0 r	103.1	106.4	100.2	104.5 r		105.7 r		
2006	101.5 r	103.8 r		102.8	99.6	101.3 r		101.8 r		
2005	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2004	98.3 r	96.5 r		96.9	100.2	98.6 r	95.7 r	97.8 r	88.0 r	96.6 r
2003	95.3 r	92.3 r		94.7	100.6	99.5 r	96.8 r	98.7 r	66.0 r	94.6 r
2002	91.7 r	90.1 r		90.7	98.4	98.9 r	97.0 r	98.4 r		
2001	88.3 r		101.4	88.3	97.4	100.0 r	96.7 r	99.1 r		
2000	87.6 r	91.2 r	104.1	85.5	97.0	97.6 r	91.1 r	95.8 r	64.3 r	91.8 r
1999	84.2 r		102.8	79.6	93.3	94.6 r	88.1 r	92.8 r		
1998	81.6 r		100.5	76.3	91.2	93.5 r	85.7 r	91.3 r		
1997	78.9 r	77.6 r		72.0	87.3	91.2 r	85.3 r	89.6 r		
1996	76.9 r	72.9 r		69.8	86.5	90.8 r	85.4 r			
1995	74.2 r	69.0 r		67.8	86.3	91.5 r	85.8 r	89.9 r	85.4 r	
1994	73.4 r	66.0 r		66.7	86.8	90.8 r	85.5 r	89.3 r	82.4 r	
1993	71.9 r	62.0 r		65.5	87.1	91.0 r	85.1 r	89.4 r		
1992	71.8 r	60.4 r		64.3	87.7	89.6 r	85.8 r	88.6 r		
1991	70.0 r	58.7 r		61.4	85.8	87.6 r	87.9 r	87.7 r	58.0 r	
1990	68.3 r	59.0 r		58.4	84.6	85.6 r	83.5 r	85.0 r		
1989	67.6 r	58.1 r		55.8	84.8	82.5 r	80.0 r	81.8 r	61.2 r	
1988	68.5 r	57.1 r		54.4	86.3	79.4 r	75.1 r	78.2 r	66.8 r	
1987	66.8 r	54.0 r		52.2	85.8	78.1 r	74.2 r	77.0 r		
1986	65.5 r	51.4 r		50.5	85.9	77.1 r	74.9 r	76.5 r	53.6 r	
1985	64.2 r	50.1 r		48.2	83.3	75.0 r	71.5 r	74.1 r	62.4 r	
1984	62.9 r	48.1 r		46.1	82.5	73.2 r	69.6 r	72.2 r		
1983	61.5 r	44.2 r		44.2	82.4	71.9 r	70.3 r	71.5 r		
1982	59.5 r	42.1 r		42.7	82.9	71.7 r	70.2 r	71.3 r		
1981 1980	59.3 r 57.9 r	43.1 r 41.5 r		40.0 36.7	82.5 82.9	67.5 r 63.5 r	63.3 r 55.6 r	66.3 r 61.3 r	48.5 r 40.7 r	
1979	58.1 r	41.9 r		33.4	83.7	57.5 r	47.5 r	54.7 r	45.4 r	
1978	58.6 r	40.6 r		30.6	84.1	52.3 r	43.6 r	49.9 r	48.4 r	
1977 1976	57.8 r 56.3 r	38.2 r 35.5 r		28.0 26.0	82.3 81.2	48.5 r 46.1 r	41.5 r 40.0 r	46.5 r		
1975	54.5 r	32.8 r		24.0	79.4	46.1 r	40.0 r	44.4 r 43.0 r		
1974	52.4 r	33.3 r		21.9	78.9	41.7 r	35.4 r	39.9 r		
1973 1972	53.5 r	33.9 r		20.0 18.5	80.1 79.0	37.3 r	30.8 r	35.5 r 33.4 r	32.9 r	
1972	53.0 r	31.9 r 29.6 r								
1970		28.5 r	57.1	17.6 16.6	76.0	33.9 r 33.3 r	29.3 I	32.0 I	26.5 r	31.1 r
						21 2	0.4.0	00 5	20 5	00 0
1969	49.4 r	28.7 r 27.6 r	58.0	15.5	75.1	31.3 r	24.8 r	29.5 r	32.5 r	29.9 r
1968 1967		27.6 r 25.9 r	55.9 54.4	14.5	/4.⊥ 71 0	31.3 r 29.4 r 28 3 r	∠3.U Y 21 7 ~	27.6 r 26.4 r	35.9 °C	28.6 r 27.6 r
1966	47.8 r	25.9 r	53.8	13.5	71.0 70 1	20.5 1	21.7 f 20.4 r	20.1 1	30.0 1	27.0 I
1965	46.0 r	23.5 r	51.1	15.5 14.5 13.5 12.8 12.1	68.3		20.4 r			
1964 1963	44.9 r 44.2 r	21.7 r 20.3 r		11.7 11.5	67.4	26.1 r 26.0 r	20.5 r			
1963		20.3 r 19.1 r	43.9 44 Q	11 2	65 Q	26.0 r 26.2 ∽	20.5 r 20 6 ∽	44.5 f 24 6 ∽	34.7 r 32.8 r	
1962	42.7 f 40.9 r	19.1 f	43 1	11.2 10.8	64.1	26 3 2	20.0 I	24.8 r		
1960		17.0 r	43.5	10.4	62.7	26.3 r	20.6 r	24.0 r		
1959	38.9 r	16.7 r	42.9	10.0	61.3	25./ r	20.1 r	24.2 r	32.9 r	25.3 r
1958	37.1 r	15 ∩ ~	40 4	97	59 5	26 ∩ ~	21 ∩ ~	24 6 ~	28 3 ~	25 1 ~

February 3, 2011 Source: Bureau of Labor Statistics