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PRODUCTIVITY AND COSTS

First Quarter 2020, Preliminary

Nonfarm business sector labor productivity decreased 2.5 percent in the first quarter of 2020, the U.S. Bureau of Labor Statistics reported today, as output decreased 6.2 percent and hours worked decreased 3.8 percent. (All quarterly percent changes in this release are seasonally adjusted annual rates.) From the first quarter of 2019 to the first quarter of 2020, productivity increased 0.3 percent, reflecting a 0.1-percent increase in output and a 0.2-percent decrease in hours worked. (See chart 1 and table A1.)

Chart 1. Labor productivity, nonfarm business, 2016Q1 – 2020Q1

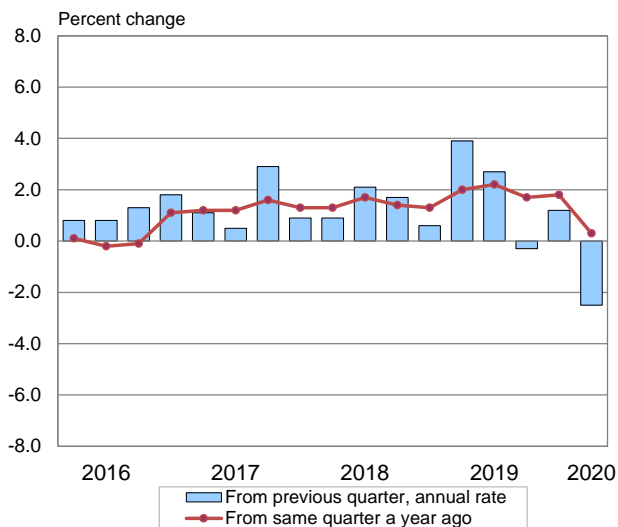
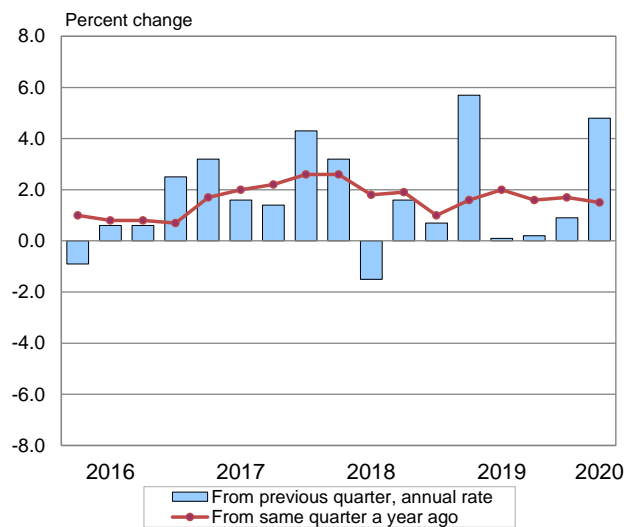


Chart 2. Unit labor costs, nonfarm business, 2016Q1 – 2020Q1



Unit labor costs in the nonfarm business sector increased 4.8 percent in the first quarter of 2020, as hourly compensation increased 2.2 percent and productivity decreased 2.5 percent. Unit labor costs increased 1.5 percent over the last four quarters. (See chart 2 and table 2.)

Coronavirus (COVID-19) impact on First Quarter 2020 Productivity Data

BLS quarterly estimates of labor productivity combine output data with hours worked data based primarily on the Current Employment Statistics (CES) survey. The reference period for the CES largely predated many of the COVID-19-related job losses that occurred in the latter part of March. To capture these job losses, adjustments were made to March employment, based on the Department of Labor's Employment and Training Administration weekly reports of the number of initial claims for unemployment insurance benefits. Hours and related measures—including labor productivity—for the first quarter of 2020 reflect these adjustments. For more information see www.bls.gov/bls/productivity-and-costs-adjusting-march-2020-employment-and-hours-to-account-for-effects-of-covid-19.htm.

Labor productivity, or output per hour, is calculated by dividing an index of real output by an index of hours worked by all persons, including employees, proprietors, and unpaid family workers. BLS calculates 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.

The 2.5-percent decline in **nonfarm business sector labor productivity** in the first quarter of 2020 was the largest quarterly decline since the fourth quarter of 2015, when output per hour decreased 2.9 percent. It reflects the largest decline in output since the first quarter of 2009 (-6.5 percent) and the largest decline in hours worked since the third quarter of 2009 (-4.4 percent). Productivity had increased in 15 of the 16 quarters between fourth-quarter 2015 and first-quarter 2020.

Manufacturing sector labor productivity decreased 3.3 percent in the first quarter of 2020, as output decreased 7.1 percent and hours worked decreased 3.9 percent. Total manufacturing sector productivity declined 1.7 percent over the last four quarters, as output decreased 2.4 percent and hours worked decreased 0.7 percent. (See tables A1 and 3.) Productivity decreased 8.3 percent in the durable manufacturing sector in the first quarter of 2020, reflecting an 11.9-percent decrease in output and a 3.9-percent decrease in hours worked. Productivity increased 2.1 percent in the nondurable manufacturing sector, as output decreased 1.8 percent and hours worked decreased 3.8 percent. (See tables A1, 4, and 5.) **Unit labor costs** in the total manufacturing sector increased 3.6 percent in the first quarter of 2020, and increased 2.9 percent from the same quarter a year ago. (See table A1.)

The concepts, sources, and methods used for the manufacturing output series differ from those used in the business and nonfarm business output series; these output measures are not directly comparable. See the Technical Notes for a more detailed explanation. (See page 6.)

Preliminary fourth-quarter and annual 2019 measures were announced today for the **nonfinancial corporate sector**. Productivity increased 2.8 percent in the fourth quarter of 2019 and increased 1.7 percent over the last four quarters. Annual average productivity increased 1.8 percent from 2018 to 2019. The historical average annual rate of productivity growth in the nonfinancial corporate sector between 1947 and 2019 is 2.1 percent. (See tables A2, C1, and 6.)

Revised measures

Hours and related measures for all sectors were revised to incorporate updated ratios of hours worked to hours paid by detailed industry, provided by the BLS National Compensation Survey. Percent changes were affected back to 2015 but revisions were small. Measures of real hourly compensation for all sectors also were revised from 2015 forward due to incorporation of the revised Consumer Price Index Research Series Using Current Methods.

Table B1 presents previous and revised productivity and related measures for the business, nonfarm business, and manufacturing sectors for the fourth quarter of 2019.

In the **fourth quarter of 2019**, nonfarm business sector productivity increased 1.2 percent, output increased 2.4 percent, and hours worked increased 1.2 percent; the same rates reported March 5. Nonfarm business unit labor costs were also not revised, increasing 0.9 percent. Total manufacturing sector productivity decreased 0.7 percent in the fourth quarter of 2019, a slightly smaller decline than previously reported. Unit labor costs in the manufacturing sector increased 3.5 percent during the fourth quarter, slightly less than previously reported. Labor productivity was revised down slightly in the durable manufacturing sector to a decrease of 1.0 percent, and was revised up in the nondurable manufacturing sector to a decrease of 1.0 percent. (See table B1.)

Annual average rates of productivity growth in the nonfarm business and manufacturing sectors were not revised for 2019. (See table 2.)

Quarterly and annual data for all sectors for recent years appear in tables 1-6. Full historical annual and quarterly measures can be found at www.bls.gov/lpc/#data.

The revised Productivity and Costs news release for first-quarter 2020 is scheduled to be released on Thursday, June 4, 2020 at 8:30 a.m. (EDT).

Table A1. Labor productivity growth and related measures - preliminary first-quarter 2020
(percent change from previous quarter at annual rate and from same quarter a year ago)

Sector	Percent change from:	Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	Previous quarter	-2.5	-6.2	-3.8	2.2	0.9	4.8
	A year ago	0.3	0.1	-0.2	1.7	-0.4	1.5
Business	Previous quarter	-2.3	-6.0	-3.8	1.9	0.7	4.4
	A year ago	0.3	0.1	-0.2	1.7	-0.4	1.4
Manufacturing	Previous quarter	-3.3	-7.1	-3.9	0.2	-1.0	3.6
	A year ago	-1.7	-2.4	-0.7	1.1	-1.0	2.9
Durable manufacturing	Previous quarter	-8.3	-11.9	-3.9	-2.2	-3.4	6.6
	A year ago	-2.5	-3.7	-1.2	0.5	-1.6	3.0
Nondurable manufacturing	Previous quarter	2.1	-1.8	-3.8	5.0	3.7	2.8
	A year ago	-1.3	-1.1	0.2	2.5	0.3	3.8

Table A2. Labor productivity growth and related measures - preliminary fourth-quarter 2019
(percent change from previous quarter at annual rate and from same quarter a year ago)

Sector	Percent change from:	Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfinancial corporate	Previous quarter	2.8	4.1	1.2	2.4	0.0	-0.4
	A year ago	1.7	2.6	0.9	3.6	1.5	1.8

Table B1. Labor productivity growth and related measures - revised fourth-quarter 2019
(percent change from previous quarter at annual rate)

Sector		Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	Revised	1.2	2.4	1.2	2.1	-0.3	0.9
	Previously published	1.2	2.4	1.2	2.1	-0.2	0.9
Business	Revised	1.0	2.4	1.4	1.9	-0.5	0.9
	Previously published	1.0	2.4	1.4	1.9	-0.5	0.9
Manufacturing	Revised	-0.7	-0.2	0.5	2.7	0.3	3.5
	Previously published	-0.8	-0.4	0.4	2.8	0.4	3.6
Durable manufacturing	Revised	-1.0	-1.4	-0.4	4.1	1.6	5.1
	Previously published	-0.9	-1.4	-0.5	4.2	1.7	5.1
Nondurable manufacturing	Revised	-1.0	1.1	2.1	0.4	-2.0	1.3
	Previously published	-1.2	0.8	2.0	0.4	-1.9	1.6

Sector	Year	Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfinancial corporate	2019	1.8	2.8	0.9	3.4	1.5	1.5
	2018	0.0	1.9	1.9	3.4	1.0	3.4
	2017	0.3	2.0	1.7	3.3	1.1	3.0
	2016	-1.1	0.3	1.5	1.1	-0.2	2.3
	2015	1.2	3.4	2.2	3.0	2.8	1.8

TECHNICAL NOTES

Labor Hours

Hours worked data for the labor productivity and cost measures include hours worked 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, counting a person who is employed by two or more establishments at each place of employment. The CES also provides average weekly paid hours of production and nonsupervisory workers in these establishments. Weekly paid hours are adjusted to hours worked using data from the National Compensation Survey (NCS) for 1996 forward and data from the BLS Hours at Work survey, conducted for this purpose, prior to 1990. Between 1990 and 1995, weekly paid hours are adjusted to hours at work using a combination of NCS and Hours at Work survey data. 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 to estimate hours worked for farm labor, nonfarm proprietors, and nonfarm unpaid family workers. Using CPS information on employment and hours worked at primary jobs and all other jobs, separately, the BLS productivity measures assign all hours worked to the appropriate industrial sector. Hours 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.

Detailed hours data are presented in the table “Hours Worked in Total U.S. Economy and Subsectors” on the BLS website (https://www.bls.gov/lpc/special_requests/us_total_hrs_emp.xlsx).

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 hours worked. Business output accounted for about 78 percent of the value of GDP in 2019. Nonfarm business, which excludes farming, accounted for about 77 percent of GDP in 2019.

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 Index 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 indexes 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.

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 50 percent of the value of GDP in 2019.

Labor Productivity

The measure describes the relationship between real output and the labor time involved in its production. Measures of labor productivity growth show the changes from period to period in the amount of goods and services produced per hour worked. 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 employees in domestic industries 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

These measures describe the relationship between compensation per hour and labor 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 2012=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. A complete historical series of 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 productivity@bls.gov).

For a more detailed explanation of methodology see "Technical Information About the Major Sector Productivity and Costs Methods" at www.bls.gov/lpc/lpcmmethods.pdf.

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service number: 1-800-877-8339.

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor payments (3)	Implicit price deflator (4)

Percent change from previous quarter at annual rate (5)								
2020 I	-2.3	-6.0	-3.8	1.9	0.7	4.4	-4.3	0.5
2019 ANNUAL	2.0 r	2.7	0.7 r	3.7	1.9 r	1.7	0.9	1.4
2019 IV	1.0	2.4	1.4	1.9	-0.5	0.9	1.0	1.0 r
III	-0.4	2.4	2.7	0.0 r	-1.8 r	0.3	2.5	1.2
II	3.0 r	2.0	-0.9 r	3.0 r	0.0 r	0.1	7.0	3.0
I	4.0 r	3.9	0.0 r	9.9 r	8.9 r	5.7	-7.3	-0.1
2018 ANNUAL	1.5 r	3.4	1.9	3.4 r	0.9	1.9	2.8	2.3
2018 IV	0.4	1.2	0.8 r	1.0 r	-0.2 r	0.6	2.1	1.2
III	1.3 r	3.4	2.1 r	3.1 r	0.9 r	1.8	1.1	1.5
II	2.7 r	4.0	1.3	1.0	-1.2	-1.6	10.8	3.6
I	1.3	2.9	1.6	4.7	1.4	3.4	0.1	2.0

Percent change from corresponding quarter of previous year								
2020 I	0.3	0.1	-0.2	1.7	-0.4	1.4	1.5	1.4
2019 ANNUAL	2.0 r	2.7	0.7 r	3.7	1.9 r	1.7	0.9	1.4
2019 IV	1.9 r	2.7	0.8	3.6	1.6 r	1.7	0.7	1.3
III	1.7	2.4	0.6 r	3.4 r	1.6 r	1.6	0.9	1.3
II	2.1	2.7	0.5 r	4.2 r	2.3 r	2.0	0.6	1.4
I	2.1 r	3.1	1.0 r	3.7 r	2.0 r	1.6	1.5	1.5
2018 ANNUAL	1.5 r	3.4	1.9	3.4 r	0.9	1.9	2.8	2.3
2018 IV	1.4	2.9	1.4 r	2.4	0.2	1.0	3.4	2.1
III	1.3	3.6	2.2 r	3.3 r	0.6	1.9	3.1	2.4
II	1.8	3.7	1.9	3.7	1.0	1.9	3.5	2.6
I	1.3	3.4	2.1	4.0	1.8	2.7	1.0	2.0

Indexes 2012=100								
2020 I	107.9	120.7	111.9	121.4	107.6	112.5	108.9	110.9
2019 ANNUAL	108.2 r	121.6 r	112.3 r	120.2 r	107.7 r	111.1 r	109.1 r	110.2 r
2019 IV	108.5 r	122.6 r	113.0 r	120.8 r	107.4 r	111.3 r	110.1 r	110.8 r
III	108.3 r	121.9	112.6 r	120.3 r	107.5 r	111.1 r	109.8 r	110.5
II	108.4 r	121.2	111.8 r	120.3 r	108.0 r	111.0 r	109.1 r	110.2
I	107.6 r	120.6	112.1 r	119.4 r	108.0 r	111.0 r	107.3 r	109.4
2018 ANNUAL	106.1 r	118.3	111.5 r	115.9 r	105.7 r	109.2 r	108.1 r	108.7
2018 IV	106.5 r	119.4	112.1 r	116.6 r	105.7 r	109.4 r	109.3 r	109.4
III	106.4 r	119.0	111.8 r	116.3 r	105.8 r	109.3 r	108.8 r	109.1
II	106.1 r	118.0	111.3 r	115.4 r	105.6 r	108.8 r	108.5 r	108.7
I	105.4 r	116.9	110.9 r	115.1 r	105.9 r	109.2 r	105.7 r	107.7

See footnotes following Table 6.
r=revised

May 7, 2020
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor payments (3)	Implicit price deflator (4)

Percent change from previous quarter at annual rate (5)								
2020 I	-2.5	-6.2	-3.8	2.2	0.9	4.8	-4.5	0.7
2019 ANNUAL	1.9	2.7	0.7 r	3.7 r	1.9 r	1.7	1.0	1.4
2019 IV	1.2	2.4	1.2	2.1	-0.3 r	0.9	0.9	0.9
III	-0.3	2.3	2.6 r	-0.1	-1.8 r	0.2	2.4	1.2
II	2.7 r	1.9	-0.7	2.7	-0.3	0.1	7.1 r	3.1
I	3.9 r	3.9	0.1 r	9.8 r	8.8 r	5.7	-7.1	0.0
2018 ANNUAL	1.4	3.5	2.0	3.3 r	0.8	1.8	3.0	2.3
2018 IV	0.6 r	1.2	0.7	1.2	0.0 r	0.7	1.8	1.2
III	1.7 r	3.5	1.8	3.4 r	1.2 r	1.6	1.9	1.7
II	2.1 r	4.0	1.8 r	0.5	-1.6 r	-1.5	10.8	3.6
I	0.9	2.9	2.0	4.2 r	0.9	3.2	0.3 r	2.0

Percent change from corresponding quarter of previous year								
2020 I	0.3	0.1	-0.2	1.7	-0.4	1.5	1.4	1.4
2019 ANNUAL	1.9	2.7	0.7 r	3.7 r	1.9 r	1.7	1.0	1.4
2019 IV	1.8	2.7 r	0.8	3.6 r	1.5	1.7	0.7	1.3
III	1.7 r	2.4	0.7	3.4 r	1.6 r	1.6	0.9	1.3
II	2.2 r	2.6	0.4 r	4.2	2.4 r	2.0	0.8	1.5
I	2.0	3.2	1.1 r	3.7 r	2.0 r	1.6	1.7	1.6
2018 ANNUAL	1.4	3.5	2.0	3.3 r	0.8	1.8	3.0	2.3
2018 IV	1.3	2.9	1.6	2.3	0.1 r	1.0	3.6	2.1
III	1.4	3.6	2.2 r	3.3 r	0.6	1.9	3.4	2.5
II	1.7	3.8	2.1	3.5	0.8	1.8	3.7	2.6
I	1.3	3.5	2.2	3.9	1.7	2.6	1.2	2.0

Indexes 2012=100								
2020 I	107.6	120.4	111.9	121.5	107.7	113.0	109.9	111.6
2019 ANNUAL	107.9 r	121.3 r	112.4 r	120.2 r	107.8 r	111.4 r	110.2 r	110.9
2019 IV	108.3 r	122.4 r	113.0 r	120.9 r	107.5 r	111.7 r	111.2 r	111.4
III	108.0 r	121.6	112.7 r	120.3 r	107.5 r	111.4 r	110.9 r	111.2
II	108.0 r	120.9	111.9 r	120.3 r	108.0 r	111.3 r	110.3 r	110.9
I	107.3 r	120.4	112.1 r	119.5 r	108.1 r	111.3 r	108.4 r	110.0
2018 ANNUAL	105.8 r	118.1	111.6 r	115.9 r	105.8 r	109.5 r	109.1 r	109.3
2018 IV	106.3 r	119.2	112.1 r	116.7 r	105.8 r	109.8 r	110.4 r	110.0
III	106.2 r	118.8	111.9 r	116.3 r	105.9 r	109.6 r	109.9 r	109.7
II	105.7 r	117.8	111.4 r	115.4 r	105.5 r	109.1 r	109.4 r	109.3
I	105.2 r	116.7	110.9 r	115.2 r	106.0 r	109.6 r	106.6 r	108.3

See footnotes following Table 6.
r=revised

May 7, 2020
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs

Percent change from previous quarter at annual rate (5)						
2020 I	-3.3	-7.1	-3.9	0.2	-1.0	3.6
2019 ANNUAL	0.1	0.0	-0.1	3.2	1.4 r	3.1
2019 IV	-0.7 r	-0.2 r	0.5 r	2.7 r	0.3 r	3.5 r
III	-0.5	0.9	1.4	-1.2	-3.0	-0.7
II	-2.3	-3.1	-0.9	2.7 r	-0.3	5.2
I	1.3 r	-1.7	-3.1	8.3	7.4 r	6.9
2018 ANNUAL	0.4	2.3	1.9	2.2	-0.3	1.8
2018 IV	0.9	1.6	0.6	3.5	2.2 r	2.5
III	0.3	4.0	3.7	2.3	0.2 r	2.0
II	1.4	2.7	1.3	-4.7	-6.7	-6.0
I	0.0	1.9	1.9	4.7 r	1.3 r	4.7

Percent change from corresponding quarter of previous year						
2020 I	-1.7	-2.4	-0.7	1.1	-1.0	2.9
2019 ANNUAL	0.1	0.0	-0.1	3.2	1.4 r	3.1
2019 IV	-0.6	-1.1	-0.5	3.1	1.0 r	3.7
III	-0.1	-0.6	-0.5	3.3	1.5 r	3.4
II	0.1	0.1	0.1	4.2	2.3	4.1
I	1.0	1.6	0.6	2.3	0.6	1.3
2018 ANNUAL	0.4	2.3	1.9	2.2	-0.3	1.8
2018 IV	0.6	2.5	1.9	1.4	-0.8	0.7
III	1.2	3.4	2.2	1.8	-0.8	0.6
II	-0.3 r	1.7	2.0 r	1.7	-1.0	1.9
I	-0.1	1.4	1.6	3.9	1.6	4.0

Indexes 2012=100						
2020 I	97.5	102.9	105.5	116.9	103.6	119.9
2019 ANNUAL	98.7 r	104.9 r	106.4 r	116.2 r	104.2 r	117.8 r
2019 IV	98.3 r	104.8 r	106.6 r	116.8 r	103.9 r	118.8 r
III	98.5 r	104.9	106.5 r	116.1 r	103.8 r	117.8 r
II	98.6 r	104.6	106.1 r	116.4 r	104.6 r	118.0 r
I	99.2 r	105.5	106.3 r	115.6 r	104.6 r	116.6
2018 ANNUAL	98.6 r	104.9	106.4 r	112.6 r	102.8 r	114.3
2018 IV	98.9 r	105.9	107.1 r	113.3 r	102.8 r	114.6
III	98.6 r	105.5	107.0 r	112.4 r	102.2 r	113.9
II	98.6 r	104.5	106.0 r	111.7 r	102.2 r	113.4
I	98.2 r	103.8	105.7 r	113.1 r	104.0 r	115.1

See footnotes following Table 6.
r=revised

May 7, 2020
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs

Percent change from previous quarter at annual rate (5)						
2020 I	-8.3	-11.9	-3.9	-2.2	-3.4	6.6
2019 ANNUAL	0.5	0.7	0.2	3.0	1.2 r	2.5
2019 IV	-1.0 r	-1.4	-0.4 r	4.1 r	1.6 r	5.1
III	0.5 r	1.5	1.1	-2.1 r	-3.9	-2.6
II	-0.7	-2.3	-1.6	2.4 r	-0.7	3.1
I	0.3 r	-2.7	-3.0 r	8.9 r	7.9 r	8.5
2018 ANNUAL	0.8 r	3.0	2.2	2.6	0.2	1.9
2018 IV	1.6	4.7	3.1	2.6	1.4 r	1.0
III	2.2 r	5.8	3.6 r	2.0	-0.1 r	-0.1
II	0.2	2.2	2.0	-4.4	-6.4	-4.6
I	0.8 r	3.9	3.1	4.6	1.3	3.8

Percent change from corresponding quarter of previous year						
2020 I	-2.5	-3.7	-1.2	0.5	-1.6	3.0
2019 ANNUAL	0.5	0.7	0.2	3.0	1.2 r	2.5
2019 IV	-0.2 r	-1.2	-1.0	3.2	1.2 r	3.5
III	0.4	0.3	-0.1	2.9 r	1.1 r	2.4
II	0.8	1.3	0.5	3.9	2.1 r	3.1
I	1.1 r	2.5	1.4	2.2 r	0.6 r	1.1
2018 ANNUAL	0.8 r	3.0	2.2	2.6	0.2	1.9
2018 IV	1.2 r	4.2	2.9 r	1.2 r	-1.0 r	0.0
III	1.6 r	4.1	2.5	2.3	-0.3	0.7
II	-0.2	2.0	2.2	2.2	-0.5	2.4
I	0.5	1.7	1.2	5.0	2.7	4.5

Indexes 2012=100						
2020 I	97.7	103.1	105.5	117.1	103.8	119.9
2019 ANNUAL	100.0 r	106.6 r	106.6 r	117.0 r	104.9 r	117.0 r
2019 IV	99.8 r	106.4 r	106.6 r	117.8 r	104.7 r	118.0 r
III	100.1 r	106.8 r	106.7 r	116.6 r	104.3 r	116.5 r
II	100.0 r	106.4	106.4 r	117.2 r	105.3 r	117.3 r
I	100.1 r	107.0	106.8 r	116.6 r	105.5 r	116.4 r
2018 ANNUAL	99.5 r	105.9	106.4 r	113.6 r	103.7 r	114.2
2018 IV	100.1 r	107.7	107.6 r	114.1 r	103.5 r	114.0 r
III	99.7 r	106.5	106.8 r	113.4 r	103.1 r	113.7
II	99.1 r	105.0	105.9 r	112.8 r	103.2 r	113.8
I	99.1 r	104.4	105.4 r	114.1 r	104.9 r	115.1

See footnotes following Table 6.
r=revised

May 7, 2020
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs

Percent change from previous quarter at annual rate (5)						
2020 I	2.1	-1.8	-3.8	5.0	3.7	2.8
2019 ANNUAL	-0.2 r	-0.7	-0.5 r	3.4 r	1.6 r	3.7
2019 IV	-1.0 r	1.1 r	2.1 r	0.4	-2.0 r	1.3 r
III	-1.7	0.2	2.0 r	0.8 r	-1.0 r	2.6
II	-4.4	-4.0	0.5 r	3.8 r	0.7 r	8.6
I	2.5 r	-0.7	-3.2 r	7.3 r	6.3 r	4.6
2018 ANNUAL	0.1	1.5	1.4 r	1.2	-1.2	1.1
2018 IV	1.7 r	-1.6	-3.3 r	4.4 r	3.1 r	2.6
III	-1.6	2.2	3.9 r	3.0 r	0.9 r	4.7
II	3.0 r	3.1	0.1 r	-5.5	-7.6 r	-8.3
I	-0.1	-0.1	0.0	4.4	1.1	4.5

Percent change from corresponding quarter of previous year						
2020 I	-1.3	-1.1	0.2	2.5	0.3	3.8
2019 ANNUAL	-0.2 r	-0.7	-0.5 r	3.4 r	1.6 r	3.7
2019 IV	-1.2	-0.9	0.3 r	3.0 r	1.0	4.3
III	-0.5 r	-1.5	-1.0 r	4.0 r	2.2 r	4.6
II	-0.5 r	-1.1	-0.6 r	4.6 r	2.7 r	5.1
I	1.4 r	0.7	-0.7 r	2.2 r	0.5 r	0.8
2018 ANNUAL	0.1	1.5	1.4 r	1.2	-1.2	1.1
2018 IV	0.7 r	0.9	0.1	1.5 r	-0.7	0.7
III	1.0 r	2.6	1.6 r	0.8	-1.8	-0.2
II	-0.2	1.3	1.6 r	0.7	-2.0 r	0.9
I	-1.1	1.1	2.3 r	1.9	-0.4 r	3.0

Indexes 2012=100						
2020 I	98.4	103.9	105.6	116.5	103.2	118.3
2019 ANNUAL	98.6 r	104.4 r	106.0 r	114.6 r	102.7 r	116.3 r
2019 IV	97.9 r	104.4 r	106.7 r	115.1 r	102.3 r	117.5 r
III	98.1 r	104.1	106.1 r	115.0 r	102.8 r	117.1 r
II	98.6 r	104.1	105.6 r	114.7 r	103.1 r	116.4 r
I	99.7 r	105.1	105.5 r	113.7 r	102.9 r	114.0 r
2018 ANNUAL	98.8 r	105.2	106.5 r	110.8 r	101.1 r	112.2 r
2018 IV	99.1 r	105.3	106.3 r	111.7 r	101.3 r	112.7 r
III	98.7 r	105.8	107.2 r	110.5 r	100.5 r	112.0 r
II	99.1 r	105.2	106.2 r	109.7 r	100.3 r	110.7 r
I	98.3 r	104.4	106.2 r	111.3 r	102.3 r	113.2 r

See footnotes following Table 6.
r=revised

May 7, 2020
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor costs (6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)
Percent change from previous quarter at annual rate (5)										
2019 ANNUAL	1.8	2.8	0.9	3.4	1.5	1.5	1.6	1.5	-5.7	0.7
2019 IV	2.8	4.1	1.2	2.4	0.0	-0.4	-3.2	-1.3	15.7	0.4
III	1.0 r	1.7	0.7	0.1	-1.7	-0.8	5.7	1.2	-3.6	0.7
II	1.0	1.1	0.1	2.5 r	-0.5 r	1.4	1.2	1.3	12.0	2.4
I	2.1 r	3.6	1.5 r	9.6 r	8.6 r	7.3	1.1	5.3	-33.7	-0.1
2018 ANNUAL	0.0	1.9	1.9 r	3.4	1.0 r	3.4	3.0	3.3	-1.1	2.8
2018 IV	1.9 r	2.4	0.5 r	0.9 r	-0.3 r	-1.0	3.5	0.5	0.0	0.4
III	5.2 r	6.3	1.1 r	2.0 r	-0.1	-3.0	-2.5	-2.9	12.7	-1.2
II	-2.8	-0.4	2.5	-0.3 r	-2.5	2.5	5.3	3.4	4.8	3.6
I	1.5 r	3.3	1.8 r	9.8 r	6.3	8.2	1.6	6.0	0.2	5.3
2017 ANNUAL	0.3	2.0	1.7	3.3	1.1	3.0	2.2	2.7	-2.9	2.0
2017 IV	-0.9 r	1.7	2.7	2.6	-0.5	3.6	4.3	3.8	-7.6	2.4
III	-3.7	-2.3	1.5	2.2 r	0.0	6.0	6.6	6.2	-16.0	3.2
II	0.7 r	3.4	2.7	0.5	0.2 r	-0.1	1.5	0.4	3.2	0.7
I	5.0	6.7	1.6	8.0	5.0	2.8	-3.7	0.6	16.4	2.5
Percent change from corresponding quarter of previous year										
2019 ANNUAL	1.8	2.8	0.9	3.4	1.5	1.5	1.6	1.5	-5.7	0.7
2019 IV	1.7	2.6	0.9	3.6	1.5	1.8	1.1	1.6	-4.6	0.9
III	1.5 r	2.2	0.7 r	3.2 r	1.4 r	1.7	2.9	2.1	-8.0	0.9
II	2.6 r	3.4	0.8 r	3.7 r	1.8 r	1.1	0.8	1.0	-4.4	0.4
I	1.6 r	3.0	1.4 r	3.0 r	1.3 r	1.4	1.8	1.5	-5.9	0.7
2018 ANNUAL	0.0	1.9	1.9 r	3.4	1.0 r	3.4	3.0	3.3	-1.1	2.8
2018 IV	1.4	2.9	1.5	3.0	0.8 r	1.6	1.9	1.7	4.3	2.0
III	0.7 r	2.7	2.0 r	3.5 r	0.8	2.7	2.1	2.5	2.2	2.5
II	-1.5	0.6	2.1	3.5	0.8	5.1	4.4	4.9	-5.0	3.6
I	-0.6 r	1.5	2.2	3.7	1.5 r	4.4	3.5	4.1	-5.4	2.9
2017 ANNUAL	0.3	2.0	1.7	3.3	1.1	3.0	2.2	2.7	-2.9	2.0
2017 IV	0.2	2.3	2.1	3.3	1.1	3.1	2.1	2.7	-1.8	2.2
III	0.3	2.0	1.6	3.4	1.4	3.1	2.5	2.9	-4.0	2.0
II	1.2	3.0	1.7	3.2	1.2	1.9	1.1	1.6	0.6	1.5
I	-0.7	0.6	1.3	3.2	0.7	3.9	3.0	3.6	-6.2	2.3
Indexes 2012=100										
2019 ANNUAL	103.0	117.2	113.7	119.6	107.2	116.1	111.8	114.6	84.2	110.3
2019 IV	103.8	118.4	114.1	120.3	107.0	115.9	112.0	114.6	86.7	110.6
III	103.1 r	117.2	113.7 r	119.6 r	106.9 r	116.1	112.9	115.0	83.6	110.5
II	102.8 r	116.7	113.5 r	119.6 r	107.4 r	116.3	111.3	114.7	84.4	110.3
I	102.5 r	116.4	113.5 r	118.8 r	107.5 r	115.9	111.0	114.3	82.0	109.7
2018 ANNUAL	101.2 r	114.0	112.7 r	115.7 r	105.6 r	114.3	110.0	112.9	89.3	109.5
2018 IV	102.0 r	115.4	113.1 r	116.2 r	105.3 r	113.9	110.7	112.8	90.9	109.7
III	101.5 r	114.7	113.0 r	115.9 r	105.4 r	114.2	109.7	112.7	90.9	109.6
II	100.2 r	112.9	112.7 r	115.3 r	105.5 r	115.0	110.4	113.5	88.2	109.9
I	101.0 r	113.0	112.0 r	115.4 r	106.1 r	114.3	109.0	112.6	87.2	108.9
2017 ANNUAL	101.2	111.9	110.5 r	111.9 r	104.6	110.6	106.8	109.3	90.3	106.6
2017 IV	100.6 r	112.1	111.5 r	112.7 r	104.5 r	112.1	108.6	110.9	87.2	107.5
III	100.8	111.6	110.7	112.0	104.6	111.1	107.5	109.9	88.9	106.9
II	101.8 r	112.3	110.3 r	111.4 r	104.6 r	109.5	105.7	108.2	92.9	106.0
I	101.6 r	111.3	109.6 r	111.3 r	104.6 r	109.5	105.4	108.1	92.1	105.9

See footnotes following Table 6.
r=revised

May 7, 2020
Source: Bureau of Labor Statistics

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. Hours and compensation 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 -1.4 and 1.4 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 fourth quarter of 2019.

Table Footnotes

- (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 1978-2019 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 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 adjustment.